

CIVIL ACTION COVER SHEET		TRIAL COURT OF MASSACHUSETTS SUPERIOR COURT DEPARTMENT COUNTY OF SUFFOLK		DOCKET NO. <u>16-0608 B</u>	
PLAINTIFF(S) <div style="border: 1px solid black; padding: 2px;">Commonwealth of Massachusetts</div>			DEFENDANT(S) <div style="border: 1px solid black; padding: 2px;">Hosanna College of Health, Inc., Jackson Augustin, and Michelle Desarnes</div>		
Plaintiff Atty <div style="border: 1px solid black; padding: 2px;">Tiffany Bartz and Claire Masinton, AAsG</div>			Type Defendant's Attorney Name		
Address <div style="border: 1px solid black; padding: 2px;">Attorney General's Office, 1 Ashburton Place, 18th Floor</div>			Defendant Atty <div style="border: 1px solid black; padding: 2px;">Lance Joseph</div>		
City <div style="border: 1px solid black; padding: 2px;">Boston</div> State <div style="border: 1px solid black; padding: 2px;">MA</div> Zip Code <div style="border: 1px solid black; padding: 2px;">02108</div>			Address <div style="border: 1px solid black; padding: 2px;">9990 SW 77th Ave, Penthouse 10</div>		
City <div style="border: 1px solid black; padding: 2px;">Miami</div> State <div style="border: 1px solid black; padding: 2px;">FL</div> Zip Code <div style="border: 1px solid black; padding: 2px;">33156-2620</div>					
Tel. <div style="border: 1px solid black; padding: 2px;">+1 (617) 963-2584</div> BBO# <div style="border: 1px solid black; padding: 2px;">680,832</div>					
TYPE OF ACTION AND TRACK DESIGNATION (See reverse side)					
CODE NO.	TYPE OF ACTION (specify)	TRACK	IS THIS A JURY CASE?		
	<div style="border: 1px solid black; padding: 5px;">E99 Misc Other (specify) - X track</div>		<input type="radio"/> Yes <input checked="" type="radio"/> No		
<p>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.</p>					
TORT CLAIMS (Attach additional sheets as necessary)					
<div style="display: flex; justify-content: space-between;"><div style="width: 60%;"><p>A. Documented medical expenses to date:</p><ol style="list-style-type: none">1. Total hospital expenses2. Total doctor expenses3. Total chiropractic expenses4. Total physical therapy expenses5. Total other expenses (describe)<p>B. Documented lost wages and compensation to date</p><p>C. Documented property damages to date</p><p>D. Reasonably anticipated future medical expenses</p><p>E. Reasonably anticipated lost wages and compensation to date</p><p>F. Other documented items of damages (describe)</p><p>G. Brief description of plaintiff's injury, including nature and extent of injury (describe)</p></div><div style="width: 35%; border-left: 1px solid black; padding-left: 10px;"><div style="border: 2px solid red; padding: 5px; text-align: center; color: red; transform: rotate(-90deg); font-weight: bold;">RECEIVED</div><div style="text-align: center; color: red; font-weight: bold;">FEB 2 2016</div><div style="text-align: center; color: red; font-weight: bold;">SUBTOTAL</div></div></div>					
Total \$ _____					
CONTRACT CLAIMS (Attach additional sheets as necessary)					
<p>Provide a detailed description of claim(s):</p> <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>					
TOTAL \$.....					
<p>PLEASE IDENTIFY, BY CASE NUMBER, NAME AND COUNTY, ANY RELATED ACTION PENDING IN THE SUPERIOR COURT DEPARTMENT</p> <div style="border: 1px solid black; height: 20px; margin-top: 5px;"></div>					
<p>At 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.</p> <p>Signature of Attorney of Record <u>Tiffany Bartz</u> Date: February 24, 2016</p> <p>A.O.S.C. 3-2397</p>					

CIVIL ACTION COVER SHEET INSTRUCTIONS
SELECT CATEGORY THAT BEST DESCRIBES YOUR CASE

* CONTRACTS

* REAL PROPERTY

MISCELLANEOUS

A01 Services, Labor and Materials F)	C01 Land Taking (eminent domain) (F)	E02 Appeal from Administrative
A02 Goods Sold and Delivered (F)	C02 Zoning Appeal, G.L. c.40A (F)	Agency G.L. c. 30A (X)
A03 Commercial Paper (F)	C03 Dispute concerning title (F)	E03 Claims against Commonwealth
A08 Sale or Lease of Real Estate (F)	C04 Foreclosure of mortgage (X)	or Municipality (A)
A12 Construction Dispute (A)	C05 Condominium Lien & Charges (X)	E05 Confirmation of Arbitration Awards (X)
A99 Other (Specify) (F)	C99 Other (Specify) (F)	E07 G.L. c.112, s.12S (Mary Moe) (X)
E03 Claims against Commonwealth (A)	E03 Claims against Commonwealth (A)	E08 Appointment of Receiver (X)
or Municipality	or Municipality	E09 General Contractor bond, (A)
	EQUITABLE REMEDIES	G.L. c. 149, ss. 29, 29a (A)
*TORT	D01 Specific Performance of Contract (A)	E11 Worker-s Compensation (X)
B03 Motor Vehicle Negligence (F)	D02 Reach and Apply (F)	E12 G.L.c.123A, s.12 (SDP Commitment) (X)
personal injury/property damage	D06 Contribution or Indemnification (F)	E14 G.L. c. 123A, s. 9 (SDP Petition) (X)
B04 Other Negligence- (F)	D07 Imposition of a Trust (A)	E15 Abuse Petition, G. L. c. 209A (X)
personal injury/property damage	D08 Minority Stockholder's Suit (A)	E16 Auto Surcharge Appeal (X)
B05 Products Liability (A)	D10 Accounting (A)	E17 Civil Rights Act, G.L. c.12, s. 11H (A)
B06 Malpractice-Medical (A)	D12 Dissolution of Partnership (F)	E18 Foreign Discovery Proceeding (X)
B07 Malpractice-Other (Specify) (A)	D13 Declaratory Judgment G.L. c. 231A (A)	E19 Sex Offender Registry G.L. c. 178M, s. 6 (X)
B08 Wrongful Death, G.L. c.229, s.2A (A)	D99 Other (Specify) (F)	E21 Protection from Harassment c 258E (X)
B15 Defamation (Libel-Slander) (A)		E25 Plural Registry (Asbestos cases) (X)
B19 Asbestos (A)		E94 Forfeiture G.L. c.265 s.56 (X)
B20 Personal Injury- slip & fall (F)		E95 **Forfeiture G.L. c. 94C, s. 47 (F)
B21 Environmental (F)		E96 Prisoner Cases (F)
B22 Employment Discrimination (F)		E97 Prisoner Habeas Corpus (X)
B99 Other (Specify) (F)		E99 Other (Specify) (X)
E03 Claims against Commonwealth (A)		

*Claims against the Commonwealth or a municipality are type E03, Average Track, cases.

****Claims filed by the Commonwealth pursuant to G L c 94C, s 47 Forfeiture cases are type E95. Fast track.**

TRANSFER YOUR SELECTION TO THE FACE SHEET.

EXAMPLE:

CODE NO.	TYPE OF ACTION (SPECIFY)	TRACK	IS THIS A JURY CASE?
B03	Motor Vehicle Negligence-Personal Injury	(F)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

SUPERIOR COURT RULE 29

DUTY OF THE PLAINTIFF. The plaintiff or his/her counsel shall set forth, on the face sheet (or attach additional sheets as necessary), a statement specifying in full and itemized detail the facts upon which the plaintiff then relies as constituting money damages. A copy of such civil action cover sheet, including the statement as to the damages, shall be served on the defendant together with the complaint. If a statement of money damages, where appropriate is not filed, the Clerk-Magistrate shall transfer the action as provided in Rule 29(5)(C).

DUTY OF THE DEFENDANT. Should the defendant believe the statement of damages filed by the plaintiff in any respect inadequate, he or his counsel may file with the answer a statement specifying in reasonable detail the potential damages which may result should the plaintiff prevail. Such statement, if any, shall be served with the answer.

A CIVIL ACTION COVER SHEET MUST BE FILED WITH EACH COMPLAINT.

FAILURE TO COMPLETE THIS COVER SHEET THOROUGHLY AND ACCURATELY
MAY RESULT IN DISMISSAL OF THIS ACTION.

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss.

SUPERIOR COURT
CIVIL ACTION NO. 16-0608 B

COMMONWEALTH OF MASSACHUSETTS,

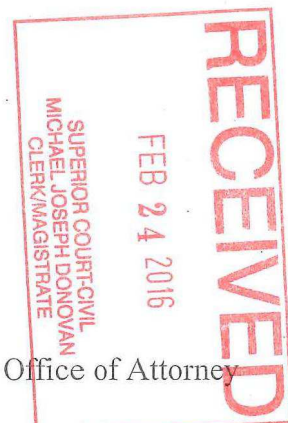
Plaintiff,

v.

HOSANNA COLLEGE OF HEALTH, INC.,
JACKSON AUGUSTIN, and MICHELLE
DESARMES,

Defendants.

COMPLAINT



INTRODUCTION

1. The Commonwealth of Massachusetts, by and through the Office of Attorney General Maura Healey (the “AGO”), brings this enforcement action in the public interest pursuant to the Consumer Protection Act, G.L. c. 93A, § 4. This action is against a for-profit nursing school, Hosanna College of Health, Inc. (“Hosanna”), as well as the school’s two principal officers, Jackson Augustin and Michelle Desarmes (collectively referred to as the “Defendants”).

2. For approximately the past two years, Hosanna instructors have held nursing classes in Massachusetts, yet Hosanna has neither sought nor been granted approval to operate a nursing school here.¹ The Defendants actively hid this information from students, despite its

¹ Hosanna is licensed to operate a nursing school in Florida, where its headquarters are located. However, because Hosanna graduates have struggled to pass the national board exam in nursing (the NCLEX-RN), the school’s first-time pass rate is lower than is allowable per Florida law. If this continues, the school may be placed on probation by Florida authorities.

enormous significance. Specifically, Hosanna's unapproved status means that, as a practical matter, its graduates are largely unable to work as nurses in Massachusetts.²

3. This deception was deployed from the very beginning, during recruiting presentations held in Massachusetts. At these "open house" events, Hosanna was presented as fully licensed in both Florida and Massachusetts. Indeed, school officials promised a top-flight nursing education that would enable Hosanna graduates to easily pass the mandatory national board exam (the NCLEX-RN) and secure remunerative, full-time nursing jobs. For the recent Haitian immigrants that make up a majority of Hosanna's student body, the promise of well-paid, full-time jobs was of great importance.

4. But the truth is starkly different: only a handful of Hosanna's approximately 175 graduates have passed the mandatory national board exam, the NCLEX-RN, and only two have become registered nurses in the Commonwealth.

5. The unfortunate reality is that the young men and women who attended Hosanna paid thousands of dollars to attend an unapproved and ineffective nursing program. The Commonwealth seeks restitution for these students, including, without limit, the return of tuition and fees, plus the costs incurred by students to travel to Florida for the requisite clinical training. The Commonwealth also seeks civil penalties of up to \$5,000 per violation, as well as legal fees and costs, and injunctive relief to permanently halt the Defendants' illegal conduct, and to prevent them from harming others.

² For one, Hosanna graduates must first obtain a nursing license in another state before applying for licensure in Massachusetts. While this hurdle alone is daunting, the more insidious problem is Hosanna's deficient curriculum, which has meant that only a handful of Hosanna's graduates have passed the national board exam, the NCLEX-RN, compared with an 80% to 85% pass rate nationally. A passing grade is required before a graduate can become licensed in any state.

JURISDICTION AND VENUE

6. This Court has jurisdiction over the subject matter of this action pursuant to G.L. c. 93A, § 4.

7. This Court has jurisdiction over Defendants pursuant to G.L. c. 223A, §§ 3(a) and (b). Pursuant to G.L. c. 223, § 5 and G.L. c. 93A, § 4, venue is proper in Suffolk County.

PARTIES

8. The Plaintiff is the Commonwealth of Massachusetts, represented by the AGO, which brings this action to remedy Defendants' unlawful conduct and to enjoin future unlawful behavior. The AGO's principal office is located at One Ashburton Place, Boston, MA 02108.

9. Defendant Hosanna is an educational institution which has been licensed from July 2013 to the present by the State of Florida to offer Practical Nursing Certificates, Associate Degrees in Nursing, and Bachelor of Science in Nursing Degrees in Florida. Hosanna is not currently and has never been licensed or approved in Massachusetts as an educational institution or as a business entity of any kind. Hosanna's principal place of business is located at 6151 Miramar Parkway, Suite 300, Miramar, FL 33023.

10. Other than a brief period between September and December 2015, Defendant Hosanna has been continuously incorporated in Florida since June 2013.

11. Defendant Augustin founded Hosanna and is its President and Chief Executive Officer, which positions he has held since the school commenced operations in June 2013. He resides at 10240 SW 13th Street, Pembroke Pines, FL 33025.

12. Defendant Desarnes is the school's Chief Financial Officer and Chairman of the Board of Trustees, which positions she has held since the school commenced operations in June 2013. She also resides at 10240 SW 13th Street, Pembroke Pines, FL 33025.

13. At all times relevant to the Complaint, Augustin and Desarmes were agents of Hosanna and had actual and apparent authority to act on behalf of the school.

STATEMENT OF FACTS

I. Hosanna Has Never Been Approved to Operate a School in Massachusetts

A. Background

14. The Massachusetts Board of Higher Education (the “MA Board”) regulates the authority of entities to grant degrees, conduct credit-bearing courses, and use the terms “university” or “college” as part of their names within the Commonwealth. G.L. c. 69, § 31A; G.L. c. 266, § 89; 610 C.M.R. § 2, *et seq.*

15. Colleges that conduct physical, or “on-the-ground,” courses in Massachusetts that lead to the award of a degree must obtain approval from the MA Board.³ Such approval is required even where a portion of the school’s courses are conducted online.⁴

16. Hosanna is not now and has never been approved by the MA Board to conduct credit-bearing courses, grant degrees, or use the term “college” as part of its name in the Commonwealth.⁵

17. The Massachusetts Board of Registration in Nursing (the “MA Nursing Board”) regulates nursing education programs and the practice of nursing in the Commonwealth. G.L. c. 13, §§ 13 – 15D; G.L. c. 112, §§ 74 – 81C. It issues (and can revoke) nursing licenses, and is

³ State law prohibits any “foreign” school (that is, a school founded or incorporated in another state) from conducting degree courses in Massachusetts without first obtaining approval from the MA Board. G.L. c. 69, § 31A; 610 CMR § 2.03.

⁴ The MA Board does not regulate schools that have no physical presence in Massachusetts, such as those institutions that conduct 100% of their courses online.

⁵ Hosanna is also not accredited by either of the two main organizations that confer accreditation on nursing programs, (i) the American Commission for Education in Nursing, and (ii) the Commission on Collegiate Nursing education.

responsible for inspecting and approving nursing programs operating in Massachusetts. G.L. c. 112, § 81A. However, the authority to prohibit a school from operating a nursing (or any other) program from operating in Massachusetts lies with the Massachusetts Department of Higher Education (the “MA Dept. of Ed”).⁶

18. Graduates of nursing programs that have not been approved by the MA Nursing Board are not permitted to sit for the national board exam in nursing, (the “NCLEX”) and thus cannot obtain a license to work as a nurse in Massachusetts by this traditional path.⁷ Hosanna has neither sought nor received approval from the MA Nursing Board.⁸

19. Between approximately September 2013 and May 2015 (the “Relevant Period”), Hosanna offered on-the-ground, credit-bearing nursing classes in Massachusetts despite its unapproved status. These classes were designed to culminate in the award of an Associate Degree in Nursing (an “ADN”). And since May 2015, Hosanna has offered these same courses online.

20. In Massachusetts, a registered nurse, or “RN,” is a “professional” nurse who “holds ultimate responsibility for direct and indirect nursing care,” including providing “health maintenance, teaching, counseling, planning and restoration for optimal functioning and comfort, of those [she] serve[s].” 244 C.M.R. § 3.01. Massachusetts residents who enter Hosanna’s ADN program do so in order to become RNs in Massachusetts.

⁶ The MA Dept. of Ed is essentially the staff of the MA Board, and executes the MA Board’s policies and day-to-day operations.

⁷ Graduates of non-approved nursing programs may still become licensed in Massachusetts, but only by means of so-called “reciprocity.” This means they must first be licensed in another state, after which they can apply for licensure in Massachusetts.

⁸ In July 2013, Hosanna was approved to operate a nursing program in Florida. In March 2015, the school was also approved by Florida to offer online nursing courses.

21. Between September 2013 and the present, Hosanna has offered two tracks for students who wish to become RNs: (i) a “bridge” ADN program that costs \$16,000, lasts twelve to sixteen months, and is designed for students who are already Licensed Practical Nurses (“LPNs”), and (ii) a “generic” ADN program that costs \$18,000, lasts eighteen months, and is designed for students with no prior nursing background.⁹

22. To become an RN in Massachusetts, a candidate must have an ADN or bachelor’s degree in nursing from a state-approved school, and must also pass the related national board exam, the NCLEX-RN.¹⁰ 244 C.M.R. § 8, *et seq.*; *see also* 244 C.M.R. § 6, *et seq.*

23. To operate in Florida, at least half of Hosanna’s nursing courses must consist of clinical training. *See* FLA. STAT. § 464.019 (1)(b)(1) (2014). At least half of this clinical training must entail direct, experiential learning in hospitals, long-term care facilities, birthing centers, primary care offices, or similar, where students gain practical experience with actual patients under the supervision of experienced practitioners. *See* FLA. STAT. § 464.019 (1)(c) (2014).

24. Rather than seek state approval and locate clinical opportunities in Massachusetts (a state teeming with medical professionals and facilities), Hosanna instead forces its Massachusetts students to travel to Florida multiple times during the nursing program for clinical training.

⁹ To become an LPN in Massachusetts, a candidate must complete a nursing program at an approved school and pass the related national board exam, the NCLEX-PN. 244 C.M.R. § 3, *et seq.* To become an RN in Massachusetts, an LPN must complete additional nursing courses, though less than the number of courses required of students with no prior nursing education.

¹⁰ Applicants must also pay the requisite fees and satisfy certain other requirements, including proof of good moral character and, in certain instances, English language proficiency. 244 C.M.R. § 8, *et seq.*

25. In December 2014, Hosanna conferred the first ADN's to Massachusetts graduates. These students took classes in Massachusetts but completed their clinical training in Florida.

26. On February 20, 2015, the MA Dept. of Ed sent a letter to Hosanna directing the school to immediately cease operations in the Commonwealth (the "Cease and Desist Letter"). Hosanna responded a month later, denying that it had ever conducted classes in Massachusetts.

27. At a May 2015 graduation ceremony in Florida, Hosanna conferred another set of ADN's to new graduates, including a significant number of students from Massachusetts.

28. Hosanna is not an approved school under the Federal Title IV program and therefore cannot accept Federal student loans. As a result, most Hosanna students pay tuition and fees out-of-pocket, although some secure costly consumer loans for this purpose. Students typically pay a tuition deposit of between \$1,000 and \$3,000, and then must pay at least \$400 monthly to attend the school. In addition, Massachusetts students are required to pay their own airfare and lodging expenses when they travel to Florida for clinical training.

B. Defendants Conducted In-Person Classes Here Without Authorization

29. During the Relevant Period, Hosanna offered in-person classes in Massachusetts to students from the Commonwealth. Courses included fundamentals of nursing, medical-surgical nursing, maternal-child nursing, pediatric nursing, and pharmacology. For most of the Relevant Period, Hosanna's Massachusetts students did not have the option of taking online classes.

30. Hosanna has never been authorized to conduct in-person, credit-bearing nursing courses in the Commonwealth, yet these classes took place for approximately two years, at

various locations throughout the state. Because of Hosanna's status as an unapproved school, it was illegal to hold such classes.

31. During the Relevant Period, Hosanna held classes for its Massachusetts students at several different locations in Brockton and Randolph, and possibly in other cities in the greater Boston area. At each of these locations, Defendants offered nursing education classes to students who aspired to become nurses in Massachusetts.

32. During the Relevant Period, Hosanna generally offered its Massachusetts classes on two different days per week, for approximately four hours per day. Classes took place on Wednesdays, Thursdays, Fridays, and Saturdays and were taught by nursing instructors hired and paid by Hosanna.

33. Hosanna's Massachusetts instructors provided students with syllabi for each credit-bearing course. Syllabi included course descriptions, course credit hours, course objectives, prerequisites, the instructor's name, grading policies, attendance requirements, and course calendars, which included a schedule of lecture topics and exams. Students were also provided with PowerPoint materials related to in-class presentations.

34. During the Relevant Period, Augustin and Desarmes frequently traveled to Massachusetts to collect money from existing students and to recruit new students. From time to time, they would also teach classes during these visits. Augustin taught medical-surgical nursing classes, covering important medical topics such as cardiology and fluid electrolytes. For her part, Desarmes taught NCLEX review classes.

II. Defendants Misled Everyone: State Officials, Prospective Students and Enrolled Students

35. Despite knowing that Hosanna was operating illegally here, Defendants deceived prospective and enrolled students, as well as the MA Dept. of Ed, concerning the school's status

and activities. As explained below, Hosanna officials, including both Augustin and Desarnes, implied or stated that the school was approved in both Massachusetts and Florida, and that it would fully prepare students for nursing careers in both states. At the same time, they asserted something quite different: in response to the Cease and Desist Letter, Augustin claimed that Hosanna was not operating in Massachusetts at all. The goal, of course, was to operate a fly-by-night nursing school in Massachusetts – a school that attracted students and generated profits without having to submit to oversight and regulation.

A. Defendants Misrepresented the Nature of Hosanna's Activities in Massachusetts to State Education Officials

36. Former Hosanna students report attending numerous classes in Massachusetts during the Relevant Period, yet Hosanna hid the truth from Massachusetts officials. They denied ever conducting classes here, insisting instead that all classes and clinicals were held in Florida.

37. Having obtained approval from the State of Florida, Defendants were well aware that Hosanna needed authorization to operate a nursing college in any state, including Massachusetts. In addition, in the Cease and Desist Letter, the MA Dept. of Ed did not mince words, stating that the school was “operating in ... Massachusetts without appropriate authorization.”

38. As noted above, the school responded to the Cease and Desist Letter in March 2015, in the form of a letter from Augustin (the “March 2015 Letter”). Augustin flatly denied the charges, explaining that the alleged classes held in Massachusetts were merely “tutoring sessions,” arranged independently by “out-of-state students ... prior to enrolling in our school ...” This response blatantly misrepresented the nature and extent of Hosanna’s presence and activities in Massachusetts.

39. The reality was far afield from what Augustin asserted in the March 2015 Letter. During the Relevant Period, Hosanna held numerous nursing classes at multiple Massachusetts locations and employed Massachusetts residents as instructors. Indeed, Massachusetts students took all their credit-bearing “classroom” courses in Massachusetts – the only piece of their nursing education reserved for Florida was clinical training. Indeed, both Augustin and Desarmes personally taught some of the Massachusetts classes, a fact neatly omitted from the March 2015 Letter.

B. Defendants Targeted Haitian and Other Immigrant Communities for Recruiting New Students

40. Desarmes and Augustin regularly traveled to Massachusetts to collect tuition payments, which Augustin admits in the March 2015 Letter. According to Augustin, because Massachusetts students “did not fulfill their monthly payment requirements,” school officials “made the decision to travel to them each month to collect the payments ...”

41. The monthly trips to Massachusetts were also used to recruit new students. Both Desarmes and Augustin are Haitian, and they focused their recruiting efforts on the considerable Haitian community in the Greater Boston area. In short, their “affinity” to Haitians in Massachusetts helped secure a steady flow of students and money.¹¹

42. One student, who is half-Haitian, noted the predominance of Haitians in his classes. He said, “[T]here were only, you know, African-American students in the class. That

¹¹ The U.S. Securities and Exchange Commission defines “affinity fraud” as “investment scams that prey upon members of identifiable groups, such as religious or ethnic communities ... The fraudsters ... frequently are - or pretend to be - members of the group. ... These scams exploit the trust and friendship that exist in groups of people who have something in common.” *See How to Avoid Investment Scams that Target Groups*, available at <https://www.sec.gov/investor/pubs/affinity.htm> (accessed Feb. 23, 2016).

was one of the things I first recognized. So [Desarmes] kind of gave me the impression[] that she only wanted, like, Haitian students in her class.” *See Testimony of Student #1*, 32:5–11.

43. The majority of Hosanna’s Massachusetts students were Haitian, and almost all were from immigrant communities. Defendants exploited their shared identity with Haitian immigrants to create confidence and trust, which in turn allowed them to charge steep tuition for a course of training that was essentially worthless.

C. Defendants Misled Prospective Students Regarding Hosanna’s Status in Massachusetts

44. In the fall of 2013 and 2014, respectively, Augustin and Desarmes held several “open-house” recruitment meetings in Massachusetts. During these meetings, they omitted material information and/or affirmatively deceived prospective students concerning Hosanna’s status. Attendees were led to believe that Hosanna had all the necessary approvals to operate a nursing school in Massachusetts.

45. Defendants actively sought to mislead prospective students through other means as well. In individual meetings, during phone calls, and through other forms of communication, the Defendants would maintain the deception concerning Hosanna’s status in Massachusetts.

46. No one from Hosanna was prepared to disclose the critical fact that the school was operating in Massachusetts without the state’s knowledge or approval. The absence of the state’s imprimatur was more than a merely technical oversight: it meant that Hosanna graduates could not obtain a nursing license in Massachusetts by sitting for the NCLEX-RN, which is the typical route to becoming a nurse. It is hardly speculative to conclude that this information would be critical to a prospective nursing student from Massachusetts.

47. One Massachusetts student noted that Augustin and Desarmes “told me they have their license here [in Massachusetts]. [And that] I [would] have a degree from Massachusetts.”

See Testimony of Student #2, vol. I, 21:7–8.

48. Other students report being similarly misled by Augustin and Desarmes:

- “[A]fter meeting [Desarmes] and getting all the paperwork and speaking to her, it was pretty convincing. It sounded like everything [was] how it was supposed to be.” *See Testimony of Student #1*, 16:1–4.
- Desarmes and Augustin “pretend[ed] to have a license to open a school in Boston ...” *See Consumer Complaint of Student #3* at 1.
- Desarmes and Augustin “had us under the impression, like, they were bringing the school here [to Massachusetts].” *See Testimony of Student #4*, 19:5–7.

49. Defendants also used their Florida license to mislead students concerning Hosanna’s status in Massachusetts. One student was told to look up Hosanna online, because if the school was ““not in good standing, you would be able to see that online.”” *See Testimony of Student #4*, 16:8–12. In this way, they managed to deceive even those students who took the extra step of looking online to verify Hosanna’s legitimacy. One student reports that she “never questioned” whether Hosanna was approved in Massachusetts, “[b]ecause when I go online, I see they have a license.”¹² *See Testimony of Student #5*, 27:19–20.

50. Students from Massachusetts paid tuition, fees, and other costs to Hosanna based on the material omissions and blatant misrepresentations noted above. Had these students known that Hosanna was neither licensed nor approved by the Commonwealth, they would not have enrolled at the school. *See, e.g., Statement of Student #6*, ¶10 (“When I saw that Hosanna ... was illegal, I started shaking. I was so surprised and shocked. From everything that [Desarmes] and

¹² The license referenced on the website was from Florida, but Defendants implied or stated that it covered Massachusetts, as well. In the absence of any context or contrary information, many students found this assertion quite credible.

[Augustin] said about the school, you would never know, never expect that. I would not have enrolled at Hosanna if I had known the school was not authorized in Massachusetts.”). Had the students not enrolled, they would not have made any payments to Hosanna. Instead, they have suffered considerable financial harm, on top of losing the time and opportunity to attend another nursing school or pursue another career entirely.

51. Students have suffered psychological harm as well. Students who filed, or considered filing, complaints with regulators report that Hosanna officials, including the Defendants, used threats and intimidation. These tactics reportedly included threats to use Vodou, which in Haitian culture is akin to a death threat. In communications with the Commonwealth, several students asked to remain anonymous at least in part because they felt threatened by one or more of the Defendants.

III. Defendants Claim to Offer a Quality Education But the Opposite is True

A. *Hosanna Officials Claim that the School Provides a Top-Tier Education*

52. Hosanna was marketed to prospective and enrolled students as providing a quality nursing education. But by any accepted measure of educational quality, Hosanna is barely operational as a school, much less able to provide a nationally-recognized or “high quality” nursing education.

53. The school’s website, for example, calls Hosanna’s nursing program “a national leader in nursing education,” and claims that students will “acquire the qualifications to pass health care licensing and certification examinations.” *See Hosanna College of Health, Our Programs, About Us*, available at <http://hcoh.net/programs.html> (accessed Jan. 11, 2016). Augustin and Desarmes would continue this deceit in face-to-face meetings and through other forms of direct communication with students. They would compare the school to nationally-

recognized nursing programs in the area, such as at Northeastern, and promise students a “great future and a career in nursing.” *See e.g., Testimony of Student #1*, 8:9–10 and 9:12–14; *Statement of Student #6*, ¶¶2, 7.

54. Among other misrepresentations, students were told that Hosanna’s nursing program would fully prepare them to pass the NCLEX-RN examination. A passing grade on this national board exam is required of all licensed RNs—in other words, without it, a graduate cannot pursue a nursing career.

55. But Massachusetts students routinely report that, after the first few months of school, they did not receive test grades, which left them with no sense of their academic progress. In addition, Hosanna suspended some of its Massachusetts classes at times, for up to two weeks, with little or no warning or explanation. Students also report that they learned very little in Hosanna’s classes—and certainly not enough to prepare them for a career in nursing:

- “I don’t think anyone ever got grades and that was, like, a big complaint amongst [the students].” *See Testimony of Student #1*, 23:24 and 24:1–7.
- “After taking classes at Hosanna for a little while, I began to question the education they were providing. I am a [certified nursing assistant] and have some experience working in healthcare. ... There were lectures, but there were no visuals or anything to help us learn.” *See Statement of Student #6*, ¶7.

B. *Hosanna’s Students are Poorly Prepared for the National Nursing Exam: the Numbers Tell the Story*

56. Hosanna’s website falsely asserts that the school prepares students to “acquire the qualifications to pass health care licensing and certification examinations.” *See Hosanna College of Health, About Us*, available at <http://hcoh.net/about.html> (accessed Jan. 11, 2016). While this statement does not refer to any specific exam, Hosanna officials, including Desarmes and Augustin, have been more direct. Students report that they were frequently reassured by

Desarmes and/or Augustin concerning their ability to pass the NCLEX, which is required of all aspiring nurses.

57. Students were further assured by Defendants that they could take the NCLEX-RN exam in Massachusetts, if that was their preference. *See, e.g., Testimony of Student #2*, vol. I, 35:9–18; *Testimony of Student #3*, 7:9–10.

58. Hosanna officials also took steps to assuage the concerns of more skeptical students. One student noted that Desarmes told him and other students not to worry about the exam because she had a “connection” that would allow them to take an easier version from another state.¹³ *See Testimony of Student #1*, 8:14–21. Relying on this statement, “the students weren’t worried about passing the [NCLEX-RN].” *See id.* at 9:1–3.

59. Statistics tell a very different story. Hundreds of students have attended Hosanna, a significant percentage of which are from the Boston area, which is home to one of the largest Haitian immigrant communities in the country. *See, e.g.,* Migration Policy Institute, *The Haitian Diaspora in the United States*, July 2014, at 5, 8. But while, as of October 2015, 174 of these students have graduated,¹⁴ only a handful has passed the NCLEX-RN exam. And as of October 2015, no more than two Hosanna graduates are licensed as RNs in Massachusetts.

¹³ Contrary to Desarmes’ statement, the NCLEX-RN is a national test that does not vary by state. The difficulty level is the same regardless of where a student sits for the exam.

¹⁴ Hosanna reported to Florida officials that there were 129 students in its ADN program in October 2014. A year later, that number had jumped to 237, while graduates totaled 174. Hosanna also reported a retention rate of 98% of its ADN students, who were reportedly tracked from their entry into the ADN program until graduation.

60. As of October 2015, a mere eleven (11) of Hosanna's 174 ADN graduates had taken the NCLEX-RN exam and only five (5) passed.¹⁵ This is a passage rate of 45%, which is well below the comparable national average for each of the two quarters in which the Hosanna graduates sat for the exam (85% and 82%, respectively).

61. Of Hosanna's 174 graduates, only five—or less than 3% of the graduates—have passed the NCLEX-RN exam. Put another way, only 3% of Hosanna's graduates have thus far been able to enter the sole profession the school purports to train for. In short, Hosanna does not exist to train future nurses; instead, it exists to profit from each student's dream of becoming a nurse.

62. Despite a multitude of representations to the contrary, Hosanna's ADN nursing education program fails to prepare students for the NCLEX-RN. It is axiomatic that students choose Hosanna—and pay the steep tuition bills—because they hope to become nurses. Yet in practical terms, Hosanna's low passage rate means the school fails to perform its core function of training students to become nurses.

63. As if to add insult to injury, Hosanna students face a further obstacle in Massachusetts. Graduates of Hosanna's ADN program “are not eligible for nurse licensure by examination in Massachusetts” because Hosanna's nursing program is not, and has never been,

¹⁵ The paucity of Hosanna graduates who have taken the exam is due to a requirement, added after certain students had already started Hosanna's program, that creates a significant hurdle. As of late 2014, Hosanna requires students to pass the Health Education Systems, Inc. (“HESI”) exam prior to taking the NCLEX-RN. The HESI is designed to measure a student's likelihood of passing the NCLEX-RN; thus Hosanna officials can screen for students that are unlikely to pass the national exam. Hosanna's dismal 45% NCLEX-RN pass rate is well below the statutory cut-off. *See* FLA. STAT. § 464.019 (5)(a) (2014) (nursing schools must maintain a first-time pass rate no more than 10% below the national average, which, in 2015, was over 80%). By screening for students who will fail the NCLEX-RN, the school can avoid amassing back-to-back low pass rates and thus remain in good standing with the state. *See id.* (a nursing school will be placed on probation if its pass rate drops below the statutory minimum for two years running).

approved by the Commonwealth's Board of Registration in Nursing. *See Executive Office of Health and Human Services, Board of Registration in Nursing, Not Approved Nursing Programs*, available at

<http://www.mass.gov/eohhs/gov/departments/dph/programs/hcq/dhpl/nursing/education/illegal-nursing-programs.html> (accessed Jan. 11, 2016). In other words, even if a Hosanna graduate passes the NCLEX-RN, she is unable to obtain a nursing license in Massachusetts. Indeed, the only way for a Hosanna graduate to become a nurse here is through so-called reciprocity; that is, the student must pass the national exam and become licensed in another state, after which she can apply for a license in Massachusetts. The materiality of these facts to a Massachusetts student's decision to enroll (or not enroll) at Hosanna can hardly be overstated. That this information was not disclosed to prospective students from Massachusetts is a blatant deception.

C. Defendants Mislead Students about the Nature and Quality of Clinical Training

64. In order to graduate from Hosanna's program, students must complete a certain number of hours of clinical training, which is available only in Florida. Clinical training entails either simulated care of patients or direct, experiential learning at hospitals, long-term care facilities, birthing centers, primary care offices, or similar locations where students gain experience with actual patients under the supervision of experienced practitioners. *See* FLA. STAT. § 464.019 (1)(c) (2014).

65. Massachusetts students are required to travel to Florida *at their own expense* for this training. Typically, this means they must make at least two or three trips to Florida, with each trip lasting several days. They are also required to pay other fees and costs connected to clinical training, including for uniforms, supplies, physical examinations, liability insurance, criminal background checks, and immunizations.

66. Hosanna's website directs visitors to review the school catalogue, which is available online. *See Hosanna College of Health, Our Programs*, available at <http://hcoh.net/programs.html> (accessed Jan. 11, 2016). Among other things, the catalogue discusses Hosanna's clinical training courses, noting that the school integrates "theory and clinical practice" and offers at least six clinical training courses. *See Hosanna College of Health, Student Catalog 2014-2015*, available at <https://hcoh.net/wp-content/uploads/2014/10/2014-Hosanna-Catalog1.pdf> (accessed Jan. 11, 2016). What the catalogue fails to mention is that these courses *must* take place in Florida because Hosanna is not licensed in Massachusetts. Indeed, nowhere in any online or written materials, and at no time during any live presentations, do Hosanna officials disclose this critical fact.

67. Massachusetts students are left in the dark. If asked, Hosanna officials would simply create a fiction. One Massachusetts student was told by Desarmes that the clinical training in Florida would be of superior quality because there is "more" in Florida; "there [are] hospital[s] and other place[s] for people to do clinical [training], and there [are] more teachers to teach and everything." *See Testimony of Student #5*, 19:5–8.

68. Based on these misrepresentations and omissions, Massachusetts students expected that Hosanna's clinical training would be of high quality and hands-on, allowing them to learn the practical and important nursing skills.

69. In reality, this clinical "training" was of exceptionally poor quality and, in some instances, the promised clinical hours simply failed to materialize.

70. For example, one Massachusetts student traveled to Florida twice as part of her Hosanna studies. Both times, she "[w]as supposed to go to clinical, but that never happened ... So we spent our whole week wasting our time and then [came] back here [to Massachusetts]."

See Testimony of Student #3, 14: 6–7, 15–16. Another student reports that her promised Florida clinical hours consisted of one task—and it had nothing to do with medical training. “We only went to [Hosanna’s Florida campus] to pay the money, and then all we go – we went back to the hotel, doing nothing.” *See Testimony of Student #2*, vol. II, 14:16–18.

71. Other Massachusetts students report that the clinical training they endured was not at all as promised, both in terms of quality and duration. One student was told she would train at a birthing center, assisting a woman during labor and childbirth. But the promised “hands-on” training never materialized: instead of assisting with a live childbirth or engaging in other practical clinical work, this “maternity clinical” consisted of “watching a tape about somebody who was doing labor.” *See Testimony of Student #5*, 20:8–9. Another student notes that during one of her trips to Florida, the promised clinical training at Miami’s Franco Rehabilitation and Nursing Center was cut short. *See Testimony of Student #2*, vol. I, 36:20 and 37:5–7.

72. Defendants misled and may continue to mislead Massachusetts students concerning the nature and quality of Hosanna’s clinical training in Florida. These students have been harmed by the notable lack of substantive clinical training, as this is a critical part of any nursing program. But they have been further harmed financially, by having to pay their own way for these largely worthless trips, on top of tuition payments.

D. Defendants Mislead Students About Their Job Prospects in Massachusetts Upon Graduation

73. Hosanna’s online catalogue states that Hosanna “offers the necessary theory and skill development to enable qualified students to gain employment upon completion of the program.” *See Hosanna College of Health, Student Catalog 2014–2015*, available at

<https://hcoh.net/wp-content/uploads/2014/10/2014-Hosanna-Catalog1.pdf> (accessed Jan. 11, 2016).

74. Hosanna officials, including Desarmes and Augustin, also trumpet this promise in face-to-face meetings with students, or during classes or other group gatherings. *See, e.g., Testimony of Student #2*, vol. I, 19:17–21.

75. Hosanna officials not only assure students they will get jobs, but that these jobs will be well-paid. For example, one student stated that Desarmes “would just inform us about all the different jobs and ... she said there was a lot of ... money to be made here [in Massachusetts] and stuff, because Massachusetts has a lot of great hospitals.” *See Testimony of Student #1*, 19:4–5, 24 and 20: 1–3.

76. Massachusetts residents enrolled at Hosanna, and made tuition and other payments to Hosanna, based on a series of knowing misrepresentations, outright deceptions and omissions (as detailed above in ¶¶14 to 75). These deceptions, both small and large, led prospective students to believe they would receive a quality nursing education at Hosanna and gain full-time, well-paid nursing employment upon graduating from the school. Students would not have enrolled at Hosanna or made tuition or other payments to Hosanna if they knew that Hosanna was not a licensed school in Massachusetts or that it could not fulfill its promise of providing a path to a nursing career in Massachusetts. To date, out of 174 graduates, no more than two Hosanna students have managed to obtain a nursing license in Massachusetts. No matter how the data are massaged or twisted, no credible argument can be made that Hosanna prepares students for employment as nurses in Massachusetts.

Count One

Violations of G.L. c. 93A, § 2
(Against All Defendants)

77. The Commonwealth repeats and realleges paragraphs 1 through 76 of the Complaint.

78. Defendants are persons as defined under G.L. c. 93A, § 1.

79. Defendants were acting and continue to act in trade or commerce as defined under G.L. c. 93A, § 1.

80. Defendants have engaged in unfair or deceptive acts or practices in violation of G.L. c. 93A, §2 and 940 C.M.R. § 3.16. Such unfair or deceptive acts or practices include, without limitation, the following:

- a. Operating an unapproved and illegal nursing education program in Massachusetts, including, without limitation, conducting in-person, credit-bearing nursing education courses in Massachusetts under the name “Hosanna College of Health” and granting Associate Degrees in Nursing to Massachusetts students, contrary to G.L. c. 69, § 31A and 610 C.M.R. § 2, *et seq.*
- b. Making material false and/or misleading representations to Massachusetts consumers, including prospective, current, and former Massachusetts nursing students, to induce them to enroll in, and pay for, Hosanna’s nursing education courses. Said false and/or misleading representations include, without limitation, the following:
 - i. affirmatively representing and/or otherwise falsely implying that Hosanna is licensed or otherwise approved to operate a nursing school in Massachusetts, in violation of 940 C.M.R. § 31.04(15) and 940 C.M.R. § 31.05(1);
 - ii. affirmatively representing and otherwise falsely implying that a Hosanna education would be of superior quality and sufficient to pass the NCLEX-RN exam, which is required of all graduates seeking a nursing license, in violation of 940 C.M.R. § 31.04(1)–(2) and (7) and 940 C.M.R. § 31.05(1);
 - iii. affirmatively representing and otherwise falsely implying that Hosanna’s clinical training, offered only in Florida, would provide

students with the “hands-on,” practical training necessary for effective nursing, in violation of 940 C.M.R. § 31.04(1)–(2); and

- iv. affirmatively representing and otherwise falsely implying that Hosanna graduates would easily obtain nursing jobs in Massachusetts and that such jobs would be fulltime and well-paid, in violation of 940 C.M.R. § 31.04(1)–(2) and (7).
- c. Failing to disclose to Massachusetts consumers, including prospective, current, and former Massachusetts nursing students, certain material facts, including without limitation, the following:
- i. that it is illegal to operate a college that offers in-person courses leading to the award of a degree without approval in Massachusetts and Hosanna is not, and has never been, approved to operate a college in Massachusetts, in violation of G.L. c. 69, § 31A;
 - ii. even Hosanna graduates who pass the NCLEX-RN exam are ineligible for licensure by examination in Massachusetts due to Hosanna’s unapproved status in the Commonwealth; and
 - iii. the requirement, instituted after certain students enrolled at Hosanna, that students pay for and pass the Health Education Systems, Inc. exam (see footnote 15, above) and/or other exams prior to taking the NCLEX-RN exam, in violation of 940 C.M.R. § 31.04(2) and 940 C.M.R. § 31.05(6).
- d. Affirmatively representing to the Commonwealth’s Department of Higher Education that Hosanna was not operating an in-person nursing education program in Massachusetts when, in fact, the opposite was true.

81. Defendants’ numerous false and/or misleading representations to Massachusetts consumers, including prospective, current, or former students, were material and did in fact deceive and/or mislead, or had the tendency or capacity to deceive and/or mislead, both prospective and enrolled students from Massachusetts.

82. Defendants knew or should have known that they were making numerous representations, and/or omitting material information, in communications with Massachusetts consumers, including prospective and enrolled students, that were false and/or misleading. More generally, Defendants knew or should have known that they were engaging in numerous acts or

practices that were unfair and/or deceptive, in violation of G.L. c. 93A, § 2 and 940 C.M.R. § 3.16.

83. Defendants were paid significant amounts of money by students from Massachusetts as a result of their unfair and deceptive acts or practices. This conduct induced Massachusetts consumers, including current and former students, to suffer an ascertainable financial loss by paying tuition and other fees for an unapproved and ineffective nursing educational program offered by Hosanna in Massachusetts.

84. Defendants' unfair or deceptive acts and practices resulted in significant financial and other harm to Massachusetts consumers, including the losses incurred by Massachusetts students as a result of paying tuition and other fees to attend an unapproved and ineffective nursing educational program offered by Hosanna in Massachusetts.

RELIEF REQUESTED

WHEREFORE, the Commonwealth requests that this Court:

A. Issue a preliminary injunction and/or permanent injunction enjoining Defendants from:

(1) Engaging in any business directly or indirectly involving education, whether concerning nursing or any other subject matter, in the Commonwealth;

(2) Teaching, or causing to be taught, any classes of any type in the Commonwealth;

(3) Affiliating with, or maintaining or operating, any educational company of any type that does business in the Commonwealth;

(4) Applying for any approval or license issued by the Massachusetts Department or Board of Higher Education, the Massachusetts Board of Education in Nursing, or the Secretary of the Commonwealth or any other state entity; and

(5) Making false and/or misleading representations, or material omissions, to Massachusetts consumers concerning, without limit, the terms of any educational program, college or class.

B. Order Defendants, jointly and severally, to make full and complete restitution to all Massachusetts consumers who enrolled in, and paid for, any courses or clinical training or any other aspect of Hosanna's nursing education program. Said restitution will include, without limitation, any and all payments made for tuition and other fees and costs associated with Hosanna's nursing education program, such as amounts paid for uniforms, supplies, exams, and/or airfare and accommodations for clinical training in Florida.

C. Order Defendants to disgorge all payments received from current and former Massachusetts students who paid tuition and other fees to attend Hosanna's nursing education program, consistent with paragraph B, above.

D. Order Defendants to pay the Commonwealth civil penalties of \$5,000 for each violation of G.L. c. 93A, § 2, plus attorneys' fees and costs, and any other costs of investigating and litigating this matter, and any other relief available under G.L. c. 93A and other applicable statutes; and

E. Grant such other and further relief as this Court deems just and proper.

Dated: February 24, 2016

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