

1 JONATHAN E. NUECHTERLEIN
General Counsel
2 GREGORY A. ASHE
VA Bar No. 39131
3 KATHARINE ROLLER
4 IL Bar No. 6316909
5 Federal Trade Commission
600 Pennsylvania Avenue NW
6 Washington, DC 20850
7 Telephone: 202-326-3719 (Ashe)
Telephone: 202-326-3582 (Roller)
8 Facsimile: 202-326-3768
9 Email: gashe@ftc.gov, kroller@ftc.gov

10 Attorneys for Plaintiff

11 **UNITED STATES DISTRICT COURT**
12 **DISTRICT OF ARIZONA**

13 **FEDERAL TRADE COMMISSION,**

14 Plaintiff,

15 v.

16 **STEPPING STONEZ**
17 **DEVELOPMENT, LLC**, also doing
business as American Certification
Specialists;

18 **INTENTIONAL GROWTH, LLC;** and

19 **STEPHEN J. REMLEY,**

20 Defendants.

Case No.

**COMPLAINT FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF**

21
22 Plaintiff, the Federal Trade Commission (“FTC”), for its Complaint alleges:

- 23 1. The FTC brings this action under Section 13(b) of the Federal Trade Commission Act
24 (“FTC Act”), 15 U.S.C. § 53(b), to obtain temporary, preliminary, and permanent
25 injunctive relief, rescission or reformation of contracts, restitution, the refund of monies
26
27
28

1 paid, disgorgement of ill-gotten monies, and other equitable relief for Defendants' acts
2 or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

3
4 **JURISDICTION AND VENUE**

- 5 2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and
6 1345, and 15 U.S.C. §§ 45(a) and 53(b).
- 7 3. Venue is proper in this district under 28 U.S.C. § 1391(b)(2), (c)(2), (c)(3) and (d), and 15
8 U.S.C. § 53(b).

9
10 **PLAINTIFF**

- 11 4. The FTC is an independent agency of the United States Government created by statute.
12 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a),
13 which prohibits unfair or deceptive acts or practices in or affecting commerce.
- 14 5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys,
15 to enjoin violations of the FTC Act and to secure such equitable relief as may be
16 appropriate in each case, including rescission or reformation of contracts, restitution, the
17 refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. § 53(b).

18
19
20 **DEFENDANTS**

- 21 6. Defendant Stepping Stonez Development, LLC ("Stepping Stonez") is an Arizona limited
22 liability company with its principal place of business at 16016 N. 68th Street, Scottsdale,
23 AZ 85254. Stepping Stonez also has used mailing addresses at 7017 Kalaniana'ole
24 Highway, Honolulu, HI 96825. Stepping Stonez transacts or has transacted business in
25 this district and throughout the United States. At times material to this Complaint, acting
26
27
28

1 alone or in concert with others, Stepping Stonez has advertised, marketed, distributed, or
2 sold fake high school diplomas to consumers throughout the United States.

3
4 7. Intentional Growth, LLC (“Intentional Growth”) is an Arizona limited liability company
5 with its principal place of business at 6774 E. Gelding Drive, Scottsdale, AZ 85254.
6 Intentional Growth also has used mailing addresses at 7017 Kalanianaole Highway,
7 Honolulu, HI 96825. Intentional Growth transacts or has transacted business in this
8 district and throughout the United States. At times material to this Complaint, acting
9 alone or in concert with others, Intentional Growth has advertised, marketed, distributed,
10 or sold fake high school diplomas to consumers throughout the United States.
11

12
13 8. Defendant Stephen J. Remley is the principal and owner of Defendants Stepping Stonez
14 and Intentional Growth. Remley is a signatory on the bank accounts of Defendants
15 Stepping Stonez and Intentional Growth. He is the registrant and technical,
16 administrative, and billing contact for Defendants’ websites. The domain registration and
17 hosting fees for Defendants’ websites are often paid for with Defendant Remley’s
18 personal credit cards. At all times material to this Complaint, acting alone or in concert
19 with others, he has formulated, directed, controlled, had the authority to control, or
20 participated in the acts and practices set forth in this Complaint. Defendant Remley, in
21 connection with the matters alleged herein, transacts or has transacted business in this
22 district and throughout the United States.
23

24
25
26 9. Defendants Stepping Stonez and Intentional Growth (collectively, “Corporate
27 Defendants”) have operated as a common enterprise while engaging in the deceptive acts
28 and practices alleged below. Defendants have conducted the business practices described

1 below through an interrelated network of companies that have common ownership,
2 managers, business functions, and that commingle funds. Because these Corporate
3 Defendants have operated as a common enterprise, each of them is jointly and severally
4 liable for the acts and practices alleged below. Defendant Remley has formulated,
5 directed, controlled, had the authority to control, or participated in the acts and practices
6 of the Corporate Defendants that constitute the common enterprise.
7

8 **COMMERCE**

9
10 10. At all times material to this Complaint, Defendants have maintained a substantial course
11 of trade in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act,
12 15 U.S.C. § 44.
13

14 **DEFENDANT’S BUSINESS PRACTICES**

15 11. Since at least 2004, Defendants have operated several fraudulent online “high schools”
16 that sell fake high school diplomas to consumers nationwide. Defendants’ websites
17 market to consumers, promoting programs bearing names such as “Aberdeen Academy,”
18 “Auburn Canyon High School,” “Glacier Online High School Academy,” “Mayflower
19 High School Academy Online,” “Paramont High School Online,” “Columbia Northern
20 High School,” “Dalloway High School Online,” “Aspire Online High School,” “West
21 Madison Falls High School,” “Aspen Heights High School Academy,” “Heritage Western
22 High School,” “Crystal Canyon Academy,” and “Alpha High School.” They claim that
23 consumers can “Earn Your High School Diploma Online” by enrolling in Defendants’
24 programs. Defendants claim that consumers can use their diploma “when applying for a
25 standard job” and “to seek acceptance in the military or to be considered for a
26
27
28

1 promotion.” Defendants’ websites have also represented that Defendants’ programs are
2 accredited.

3
4 12. In reality, Defendants do not operate accredited online high schools and do not issue valid
5 high school credentials. Consumers are only required to pay a fee and pass a nominal test
6 in order to obtain a “diploma.” In fact, Defendants’ programs require no coursework or
7 preparation before taking the test, and the test itself offers hints to help consumers select
8 the correct answers. As a result, Defendants’ so-called “diplomas” are virtually
9 worthless. In numerous instances, consumers who attempt to enroll in college, apply for
10 jobs, or join the military using Defendants’ diplomas learn that Defendants’ programs are
11 unaccredited and that the diplomas are invalid.
12

13
14 13. Defendants have charged between \$249 to \$349 for their purported services, and have
15 taken in millions of dollars from consumers.

16
17 **Defendants Misrepresent That Their Diplomas Constitute Valid High School Equivalency
18 Credentials Accepted by Employers and Colleges**

19
20 14. Defendants have marketed and sold their fake online diplomas through a series of
21 websites, including gedonlinediploma.com, gedonlinediploma.net, ged-online.org,
22 geddiploma.net, geddiploma.org, ged-test.org, gethighschooldiploma.net, gedclass.org,
23 gethighschooldiploma.org, getged.org, highschooldiplomaonline.net, getaged.org,
24 gedonline.us, getagedonline.org, earneded.com, earneded.org, earneded.org,
25 earnedonline.com, gedonlinediploma.org, gedonline.co.uk, highschooldiploma.co.uk,
26 gedon-line.com, onlinehighschooldiploma.co.uk, gedtest.co.uk, gedonline.net,
27 gedoptions.com, highschooldiplomathome.com, gedonlineprogram.org,
28

1 freehighschooldiplomaonline.org, highschooldiplomajobs.org, getgedonline.org,
2 gedonlinetest.org, onlinehighschooldiplomas.org, earnhighschooldiploma.org,
3 highschoolcourses.org, highschooldiplomatest.org, accreditedhighschooldiploma.org,
4 highschoolonlinecourses.org, gedonlineclass.org, highschooldiplomaprogram.org,
5 freehighschooldiploma.org, gedpreparation.net, gedcourse.org, freeonlineged.net,
6 gedstudy.net, takeged.com, gedonlinehighschooldiploma.com, onlinegedtest.org,
7 freegedtest.org, freeonlineged.org, gedonlinetest.net, gedprep.org, freegedpracticetest.org,
8 highschooldiplomaonline.org, onlinegedpracticetest.com, gedpracticetestfree.com,
9 gedtestingonline.org, gedstudyguide.net, freeonlinegedtest.org, gedbooks.org,
10 freegedpracticetest.com, freeged.us, gedpracticetest.us, studentserviceadvisors.com,
11 paramonthighschool.com, americanache.org, highschooldiplomaonlinecourse.com,
12 onlinehighschooldiplomaonline.com, highschooldiplomaonlineprogram.com,
13 diplomaonlinehighschool.com, highschoolonlinediplomas.com,
14 highschooldiplomaonlinefree.com, freeonlinehighschooldiploma.org, gedtestonline.us,
15 highschooldiplomaonlineged.com, ged.net, highschooldiplomaprograms.net,
16 gethighschooldiploma.net, freehighschooldiplomaonline.net, freegedonlinetest.net,
17 gethighschooldiplomaonline.net, getged.net, freeonlinehighschooldiploma.net,
18 freegedonlinetest.org, freegedtestonline.org, highschooldiplomaprograms.org,
19 highschooldiplomaonlinefree.org, highschooldiplomaonlinefree.net,
20 highschooldiploma.net, christianhighschool.net, highschoolonlinedegree.com,
21 highschoolonlinedegree.org, highschoolonlinedegree.net, my-ged.com,
22 fasthighschooldiplomaonline.com, onlinehighschooldiplomaprogram.com,
23
24
25
26
27
28

1 freehighschooliplomasonline.com, gedonlineprograms.com, dalloway-school.com,
2 accreditedhighschools.org, highschooliplomaonline.co, onlinehighschooliploma.net,
3 freegedtestonline.net, alpha-school.com, willow-school.org, aoean.com, aoean.org,
4 aoean.net, aoean.co, aoean.info, adulthighschooliplomaonline.com,
5 myhighschooliplomaonline.com, adulthighschooliplomaonline.net,
6 myhighschooliplomaonline.net, highschooliploma.co, highschooliploma.biz, and
7 highschooliploma.org.
8
9

10 15. Defendants use computer codes known as metatags to attract consumers who might be
11 searching the Internet for high school diploma programs. “Keyword metatags” contain
12 keywords relating to a website’s content. Defendants use the following keyword
13 metatags for their websites:
14

- 15 • high school diploma online
- 16 • online high school diploma
- 17 • high school diploma
- 18 • high school diploma test
- 19 • high school diplomas
- 20 • high school equivalency test
- 21 • high school online
- 22 • online high school
- 23 • high school education alternative
- 24 • high school program online
- 25
- 26
- 27
- 28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- ged test equivalency
- ged online equivalency
- earn your high school diploma
- online high school diploma program
- high school diploma course
- accredited high school diploma
- online high school diploma course
- earn high school diploma
- school diploma
- online diploma
- diploma online
- high school diploma program
- high school diploma program online
- school diploma
- diploma

Similarly, “Title metatags” refer to the various pages on a website. Defendants’ title metatags include

- High School Diploma Online | Free Program Online | High School Diploma
- High School Diploma: Online High School Diploma for Adults
- High School Diploma Online Course
- Online High School Diploma Program - High School Diploma

- High School Diploma Online

Finally “Description metatags” are intended to describe the website and are displayed along with the website address in Internet search engine results. Defendants’ description metatags include:

- Earn a real high school diploma online fast and at home. Enroll in our free high school diploma test program and receive your diploma in a matter of days
- High school diploma program for students, teens and adults with free enrollment to earn a high school diploma online. Get your diploma online fast!
- Earn your high school diploma online through the free Columbia Northern program today! Adults and teens can get a high school diploma at home fast!
- Aberdeen Academy High School offers an online high school program for those who need their diploma fast.
- Earn your high school diploma online quickly with this fast test program

16. Defendants misrepresent that their so-called diplomas are equivalent to a traditional high school diploma. For example, Defendants state:

- a. Earn your High School Diploma Online
- b. If you haven’t received either a traditional high school diploma or GED certification, West Madison Falls High School offers a free and fast program to achieve a real high school diploma online.
- c. Get a real high school diploma online fast and receive your diploma Parcel in the mail days after or less.
- d. If you are currently employed or have other responsibilities that are demanding, it can be frustrating trying to find time to complete your high school education. Aberdeen Academy High School provides the ideal solution for your needs as our program can be finished from any computer and 100% online. You can now take our high school diploma test at home and any time that fits with your schedule.

- e. Our course offering is an ideal option if you have been considering taking the GED. The GED test is long and difficult and most students underestimate it. It also requires the individual to be present and each of the main testing components are timed. Now, with Aberdeen Academy, you no longer need to rely on taking the GED! Take our high school test at your convenience and as many times as you like. We hope our program helps you as it has the other thousands of students since our inception. Get started today and earn your high school diploma with Aberdeen Academy!
- f. Have you dropped out of high school and now need to earn your diploma online? If so, Alpha Online High School is a leader in offering the most current and free high school courses which can be completed 100% online at the pace you choose.
- g. Earn your high school diploma 100% online in 1 hour or less! Over 100,000 American Graduates Since 1997!
- h. Haven't Gotten Your GED Yet, Why Not Get Your Diploma
- i. GED Online has partnered with Heritage Western High School in order to provide students nationwide with the opportunity to get their high school diplomas. We offer an online high school diploma course which can be completed on the student's own time schedule.
- j. Columbia Northern High School offers a free online high school diploma course that will enable you as the student to earn your online high school diploma quickly. In order to succeed in today's highly qualified workplace, it has never been more important to have a high school diploma. While traditional high school certification is ideal, it is not always realistic due to the busy lives and schedules of many young people. You can achieve an authentic high school diploma online at home fast.
- k. Aspen Heights High School Academy has been recognized as one of the top online high schools and has received the coveted 2013 Education Achievement Award. This award shows our continued commitment to adapting high school programs that reflect the integrity which traditional high schools possess.

17. Defendants misrepresent that consumers can use Defendants' so-called diplomas to

obtain employment, career advancement, or higher education. For example, Defendants state:

- a. Your High School Diploma Parcel will include continuing verification. This service is to be used to verify to a potential employer that you have successfully passed our online testing program . . . Due to the strict course guidelines and this verification

1 services [sic], most employers will accept this online high school diploma as an
2 alternative to the GED.

- 3 b. In today's competitive workplace, a higher education is needed to be considered for
4 employment. The main purpose of this online diploma is to be used when applying
5 for a standard job, although positions and acceptance can vary. This diploma can also
6 be used to seek acceptance in the military or to be considered for a promotion.
- 7 c. If you are interested in earning your high school diploma for a job, college or trade
8 school, the Alpha program is the ideal choice for you. Most employers these days
9 make it mandatory to have a diploma from high school even for the most basic of
10 jobs. The same goes for colleges, universities and trade schools. We are proud to offer
11 free lifetime verification by our staff for all graduates who have purchased the high
12 school diploma graduation package. The verification service allows the graduate to
13 provide proof through our school counselor confirmation that they did pass our class
14 and with an acceptable score.
- 15 d. At Alpha High School, you have a great opportunity to earn an official High School
16 Diploma and finally get what you deserve. Excellent job opportunities, high social
17 status and financial independence you have been dreaming about are open to you with
18 the High School Diploma. You are here, that means, you are on your way to success.
- 19 e. If you need a high school diploma in order to get a job or further your higher
20 education, our program is the right choice for you. More employers, trade schools and
21 colleges are requiring a diploma as the number of applicants continues to increase
- 22 f. Getting your high school diploma online is giving millions of people the opportunity
23 to apply for the job that they wanted or attend the college they could not attend before
24 having their diploma.
- 25 g. What can I do with my diploma? Answer: Most of our students end up using their
26 diploma to fit the education requirement for a an [sic] employer or to continue their
27 schooling.
- 28 h. Improve Your Income And Importance. Statistically, it has been proven that
individuals who finish their secondary education make from \$250,000-\$500,000+
more in their lifetimes than those who don't. By having a high school diploma, one
can be eligible for higher qualified employment opportunities that include bigger pay
and better benefits. Our online high school diploma program has been designed for
individuals who need to earn a real high school diploma online for a potential job,
promotion, certification proof, Military recruitment, etc.

- 1 i. Our online high school diplomas are intended to be used like a traditional high school
2 diploma. This diploma is a certificate that states the graduate has successfully passed
3 our online testing platform and deserves the recognition that comes with it. The
4 majority of graduates who complete the online program will use their diploma in the
5 following ways:
- 6 • Apply for a new job
 - 7 • Apply for a promotion at an existing job
 - 8 • Seek acceptance at a technical school or trade school that accepts our
9 diploma
 - 10 • Seek acceptance at a community college or university that accepts our
11 diploma
- 12 j. The majority of graduates who receive their diploma package use it to help qualify
13 themselves for a potential job opportunity. . . With their high school diploma,
14 transcripts and our lifetime verification services, they will have the necessary tools
15 needed for most employers to accept their application. Other common uses for our
16 high school diploma are to request a promotion, personal gratification or to seek
17 acceptance in a variety of schools for continuing education.

18 18. Defendants' websites also contain numerous purported customer testimonials touting
19 Defendants' online high school diploma program and its supposed uses. The testimonials
20 include the following statements:

- 21 a. Thanks to your online high school course, I was able to receive a new job that pays
22 more as I now have a diploma!
- 23 b. Thank you West Madison Falls! Your high school diploma program helps me find a
24 new career!
- 25 c. I just got the job I needed with my new high school diploma! Your school helped me
26 because I couldn't take the time needed to go get my GED. I will recommend you to
27 all my friends, thanks a million!
- 28 d. After going through your exam and getting the diploma package, I got a job right
away. Now I am thinking about college. Thank you for helping me see I can change
my life for the better.
- e. My job came out of know where and said I needed to have my diploma or I was going
to get fired and you guys saved me. If it weren't for your fast high school program

1 who knows what would have happened. All I can say is thank you for making me not
2 have to worry about that.

3 f. Today I got enrolled in school. If I hadn't gotten my diploma I wouldn't be able to do
4 that. I was so lucky to have found you guys. In a year I should have my license in the
5 field I want to work in and will be done with all the school I need to get it.

6 19. Defendants offer consumers a "Graduation Package" that includes a diploma, transcripts,
7 and a "verification service." Defendants explain that the transcript "will detail all courses
8 taken and scores received. Each testing subject will have an independent score to show
9 success in that particular category. These transcripts will also include the life and work
10 experience that was submitted along with the test results." Defendants further describe
11 the transcript as including "the official school seal." Defendants explain that their
12 verification services "enable the potential employer to speak directly with a guidance
13 counselor at our school to confirm a particular individual received a passing score."
14 Defendants state that "[t]hese verification services combined with the online course
15 credentials ensure most employers will accept this diploma as an alternative to the GED
16 and traditional high school diploma."
17

18 20. The required fee has varied over time and has ranged from \$249 to \$349. Defendants
19 accept payment via credit card and money order.
20

21 21. In fact, Defendants do not operate legitimate online educational programs. Defendants'
22 so-called "schools" provide consumers no instruction, coursework, study materials, or
23 periodic evaluations. To obtain Defendants' diploma, consumers need only pass an
24 assisted online multiple choice test, select their "life experiences," and pay the required
25 fee.
26
27
28

1 22. In addition, contrary to the website claims, Defendants' diplomas are not equivalent to
2 traditional high school diplomas or to a GED® certificate because numerous higher
3 education institutions, employers, and the military do not accept Defendants' diplomas as
4 valid high school equivalency credentials. In numerous instances, consumers attempting
5 to enroll in college, apply for jobs, or join the military using Defendants' diplomas have
6 been rejected because the diplomas are not valid high school equivalency credentials.
7

8
9 23. In numerous instances, consumers who have attempted to contact Defendants after
10 receiving their diplomas report that the number listed on their websites rings busy and
11 does not connect to an actual live person.
12

13 **Defendants Misrepresent That They Operate Legitimate, Accredited Secondary Education**
14 **Programs**

15 24. Defendants cloak their fraudulent diploma mills in legitimacy by misrepresenting that
16 their online "schools" are accredited.

17 25. On the "About Us" pages for their West Madison Falls High School and Heritage
18 Western High School websites, Defendants state that each respective "high school" is "an
19 acclaimed member of the American Accreditation Council for Higher Education
20 (AACHE.org). In order to be awarded membership into the AACHE consortium, our
21 online high school has had to pass numerous educational guidelines and continues to be
22 monitored on a monthly basis to ensure the program, resources and directional focus are
23 in line with AACHE's criteria."
24

25
26 26. Similarly, on the "Accreditation" page for their Aberdeen Academy websites, Defendants
27 state that Aberdeen is "recognized by the American Accreditation Council for Higher
28

1 Education (AmericanACHE.org).” Meanwhile on Aberdeen’s FAQs page, in answer to
2 the question “Is Aberdeen Academy High School accredited,” Defendants state
3 “Aberdeen Academy High School retains membership and endorsement by the American
4 Accreditation Council for Higher Education.”
5

6 27. In reality, the American Accreditation Council for Higher Education is a fictitious entity
7 created by Defendants, and is not a legitimate, independent accrediting body.
8

9 28. Defendants registered its website, AmericanACHE.org, in February 2010. On the
10 AmericanACHE.org website, Defendants explain that “AmericanACHE (American
11 Accreditation Council for Higher Education) was created with the purpose of setting a
12 precedent for the review of online educational courses and material review. Ensuring that
13 online courses and testing programs are based on best teaching practices is one of our
14 highest requirements in order to receive and maintain membership. AmericanACHE
15 endorsement serves as a public affirmation of an educational program or curriculum that
16 provides the level of integrity that meets our requirements.”
17
18

19 29. On AmericanACHE.org’s “About Us” webpage, Defendants state, “If you are in the
20 education sector, you may need to earn a diploma, certain certification or successfully
21 complete a training program. You may also be required to earn certification that is
22 accredited in order to maintain standing in your particular employment, seeking
23 employment or to be eligible to continue your studies. Finding time to earn credentials
24 through traditional practices can be difficult when coupled with the busy lifestyle that a
25 typical individual day demands. Our organization was founded to search out practical
26 methods of continuing education and curriculum that can be completed online yet hold
27
28

1 the integrity and best practices that you'd expect from traditional offline programs and
2 instructional teaching.”

3
4 30. In addition, Defendants have at times asserted that their programs are members of the
5 Capitol Network for Distance Learning. For example, Defendants state on their
6 Aberdeen Academy High School websites that “Aberdeen is recognized by the Capitol
7 Network for Distance Learning. The Capitol Network carefully reviews organizations
8 that are some accepted to ensure they continually follow the original requirements and
9 guidelines set forth upon initial acceptance.” Meanwhile, on their Heritage Western High
10 School websites, Defendants state that “Heritage Western High School is a proud
11 member of the Capitol Network for Distance Learning Programs (CNDLP). CNDLP
12 incorporates strict guidelines and monitors partner programs on a monthly basis in order
13 to ensure the interests of the students and curriculum objectives are being met.”
14
15

16
17 31. In reality, the Capitol Network for Distance Learning Programs is a fictitious entity
18 created by Nicholas Pollicino, a one-time business associate of Defendants and now
19 operator of a separate fraudulent high school diploma mill operation.

20
21 32. In reality, Defendants’ programs are not accredited by any legitimate or recognized third-
22 party accrediting bodies.

23 **Defendants’ Inconspicuous Disclaimers Are Inadequate**

24
25 33. Nowhere do Defendants adequately disclose that their program is neither a replacement
26 for or equivalent to a traditional high school diploma or an accredited high school
27 program. To the extent that any of their websites include a disclaimer, it is buried on a
28 separate “Terms and Conditions” page. The disclosure is located in the ninth of eleven

1 small print paragraphs. Nothing on the websites' homepages or enrollment pages,
2 however, indicates that consumers should go to the "Terms and Conditions" page, nor is
3 there any method by which Defendants ensure that consumers have read that page.
4

5 34. Because of the small font size, color, and placement of the disclaimers, many consumers
6 may not notice or review them. Thus, the disclaimers are not clear and conspicuous and
7 do not offset the overall net impression of the websites that consumers can successfully
8 use Defendants' diplomas as valid high school equivalency credentials when applying for
9 jobs, seeking enrollment in higher education institutions, or for other purposes.
10

11 **VIOLATIONS OF THE FTC ACT**

12 35. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "unfair or deceptive acts or
13 practices in or affecting commerce."
14

15 36. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or
16 practices prohibited by Section 5(a) of the FTC Act.
17

18 **Count I**

19 37. Through the means described above, Defendants have represented, directly or indirectly,
20 expressly or by implication, that consumers can successfully use Defendants' diplomas as
21 valid high school equivalency credentials, for example when applying for jobs or seeking
22 enrollment in higher education institutions.
23

24 38. In truth and in fact, in numerous instances, consumers cannot successfully use
25 Defendants' diplomas as valid high school equivalency credentials, for example when
26 applying for jobs or seeking enrollment in higher education institutions.
27
28

1 39. Therefore, Defendants' representations as set forth in Paragraph 37 of this Complaint are
2 false or misleading and constitute deceptive acts or practices in violation of Section 5(a)
3 of the FTC Act, 15 U.S.C. § 45(a).
4

5 **Count II**

6 40. Through the means described above, Defendants have represented, directly or indirectly,
7 expressly or by implication, that the American Accreditation Council for Higher
8 Education is an independent, third-party accrediting body that objectively evaluates and
9 accredits Defendants' online schools.
10

11 41. In truth and in fact, the American Accreditation Council for Higher Education is not an
12 independent, third-party accrediting body that objectively evaluates and accredits
13 Defendants' online schools. In fact, the American Accreditation Council for Higher
14 Education is owned and controlled by Defendants.
15

16 42. Therefore, Defendants' representations as set forth in Paragraph 40 of this Complaint are
17 false or misleading and constitute deceptive acts or practices in violation of Section 5(a)
18 of the FTC Act, 15 U.S.C. § 45(a).
19

20 **CONSUMER INJURY**

21 43. Consumers have suffered and will continue to suffer substantial injury as a result of
22 Defendants' violations of the FTC Act. In addition, Defendants have been unjustly
23 enriched as a result of their deceptive acts or practices. Absent injunctive relief by this
24 Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and
25 harm the public interest.
26
27
28

THIS COURT’S POWER TO GRANT RELIEF

1
2 44. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive
3 and such other relief as the Court may deem appropriate to halt and redress violations of
4 any provision of law enforced by the FTC. The Court, in the exercise of its equitable
5 jurisdiction, may award ancillary relief, including rescission or reformation of contracts,
6 restitution, the refund of monies paid, and the disgorgement of ill-gotten monies, to
7 prevent and remedy any violation of any provision of law enforced by the FTC.
8
9

PRAYER FOR RELIEF

10
11 Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b)
12 and the Court’s own equitable powers, requests that the Court:
13

14 A. Award Plaintiff such preliminary injunctive and ancillary relief as may be
15 necessary to avert the likelihood of consumer injury during the pendency of this action and to
16 preserve the possibility of effective final relief, including but not limited to, temporary and
17 preliminary injunctions, and an order freezing assets;
18

19 B. Enter a permanent injunction to prevent future violations of the FTC Act by
20 Defendants;
21

22 C. Award such relief as the Court finds necessary to redress injury to consumers
23 resulting from Defendants’ violations of the FTC Act, including but not limited to, rescission or
24 reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-
25 gotten monies; and
26
27
28

1 D. Award Plaintiff the costs of bringing this action, as well as such other and
2 additional relief as the Court may determine to be just and proper.
3

4 Dated: February 8, 2016

Respectfully submitted,

6 JONATHAN E. NUECHTERLEIN
7 General Counsel

8
9 */s/Gregory A. Ashe*
10 GREGORY A. ASHE
11 VA Bar No. 39131
12 KATHARINE ROLLER
13 IL Bar No. 6316909
14 Federal Trade Commission
15 600 Pennsylvania Avenue NW
16 Washington, DC 20850
17 Telephone: 202-326-3719 (Ashe)
18 Telephone: 202-326-3582 (Roller)
19 Facsimile: 202-326-3768
20 Email: gashe@ftc.gov, kroller@ftc.gov

21 Attorneys for Plaintiff
22 FEDERAL TRADE COMMISSION
23
24
25
26
27
28