

**IN THE CIRCUIT COURT OF THE THIRTEENTH JUDICIAL CIRCUIT  
IN AND FOR HILLSBOROUGH COUNTY, FLORIDA  
CASE NO. 11-67606, DIV. A**

DAWN ALLEN, f/k/a DAWN CASSIDY;  
MARY ESCUDIE; LISA HLOSKA; and  
TARA GARLITZ,

Plaintiffs,

v.

EDUCATION MANAGEMENT CORPORATION,  
a foreign corporation;  
EDUCATION MANAGEMENT, LLC.,  
a wholly-owned subsidiary of  
EDUCATION MANAGEMENT CORPORATION;  
ARGOSY EDUCATION GROUP, INC., a  
wholly-owned subsidiary of EDUCATION  
MANAGEMENT CORPORATION, doing business  
as ARGOSY UNIVERSITY TAMPA;  
and ARGOSY UNIVERSITY OF FLORIDA, INC.

Defendants.

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**FIRST AMENDED COMPLAINT AND DEMAND FOR JURY TRIAL**

Plaintiffs, DAWN ALLEN, MARY ESCUDIE, LISA HLOSKA, and TARA GARLITZ, jointly and individually, sue the Defendants, EDUCATION MANAGEMENT CORPORATION, doing business as EDUCATION MANAGEMENT, LLC.; ARGOSY UNIVERSITY OF FLORIDA, INC., and ARGOSY EDUCATION GROUP, INC., and allege:

## **JURISDICTION AND PARTIES**

1. This is a cause of action for damages that exceed the sum of FIFTEEN THOUSAND (\$15,000.00) DOLLARS.

2. Plaintiff, DAWN ALLEN (hereinafter “ALLEN”) formerly known as DAWN CASSIDY, is now a resident of Charlotte, North Carolina and at all times material hereto, resided in Hillsborough County, Tampa, and Pasco County, Wesley Chapel, Florida, and was enrolled in a doctoral program administered by the Defendant, Argosy University in Tampa, Florida.

3. At all relevant times, Plaintiff, MARY ESCUDIE (hereinafter “ESCUDIE”), was a resident of Hillsborough County and Pasco County, Florida, and was enrolled in a doctoral program administered by the Defendant, Argosy University.

4. At all relevant times, Plaintiff, LISA HLOSKA (hereinafter “HLOSKA”), was a resident of Pasco County, Florida, and was enrolled in a doctoral program administered by the Defendant, Argosy University.

5. At all relevant times, Plaintiff, TARA GARLITZ (hereinafter “GARLITZ”), was a resident of Hillsborough County, Florida, and was enrolled in a doctoral program administered by the Defendant, Argosy University.

6. Defendant EDUCATION MANAGEMENT CORPORATION (hereinafter “EDMC”) was a Pennsylvania corporation licensed to do business in the State of Pennsylvania and doing business in the State of Florida.

7. Defendant EDMC was first incorporated in Pennsylvania in 1962. The company now operates post-secondary education institutions in more than 105 locations throughout North America, including the State of Florida.

8. At all relevant times, Defendant, ARGOSY UNIVERSITY OF FLORIDA, INC. (hereinafter “ARGOSY UNIVERSITY”), was a Florida corporation.

9. At all relevant times, Education Management, LLC was a subsidiary of EDMC.

10. At all relevant times, Defendant, ARGOSY EDUCATION GROUP, INC. (hereinafter “ARGOSY ED”), was an Illinois corporation, licensed to do business and doing business in the State of Florida under the fictitious name of ARGOSY UNIVERSITY TAMPA (hereinafter “ARGOSY”), providing graduate education in Hillsborough County, Florida, with a primary focus on doctoral-level academic programs in psychology and education, and was a subsidiary of EDMC.

11. At all relevant times, Defendant EDMC, through its various subsidiary entities, marketed, managed and received profits from four (4) distinct educational institutions: (1) The Art Institute; (2) Argosy University; (3) Brown Mackie Colleges; and (4) South University.

12. On or about December 21, 2001, EDMC completed its acquisition of Argosy Education Group.

13. At all relevant times, the aforementioned Defendants, EDMC, ARGOSY ED and ARGOSY UNIVERSITY, jointly and collectively operated, and continue to operate, businesses including, but not limited to Defendant, ARGOSY, in Hillsborough County, Florida.

### **GENERAL ALLEGATIONS**

14. This is an action brought on behalf of the Plaintiffs identified above who enrolled in Defendant, ARGOSY, for the purpose of earning a Doctor of Psychology degree (“PSY D”).

15. This action seeks redress for a uniform, deceptive and misleading scheme conceived and implemented by ARGOSY, ARGOSY ED, ARGOSY UNIVERSITY and EDMC to market and sell its PSY D program to potential students, such as the Plaintiffs, even though

Defendants had actual knowledge that it lacked the ability to confer that degree upon the Plaintiffs.

16. In its marketing materials, including, but not limited to its brochures, Catalogue, Course Descriptions, and School Handbook, ARGOSY stated that “*The Florida School of Professional Psychology at Argosy University is committed to providing students with the education, **training, and experience** necessary to prepare them as leaders in their profession. We also recognize that the success and satisfaction of our students is vital to our continued growth and academic reputation. We hope that you will accept our invitation to be part of the university community*” (emphasis added). While these documents served as marketing materials for ARGOSY, they also served as the written contract between ARGOSY and any student, such as Plaintiff ALLEN, HLOSKA and ESCUDIE, in that these Plaintiffs were bound by and restricted to the rights and limitations noted in the School Handbook and Catalogs, along with all supplements and addendums (these Plaintiffs are not currently in possession of these documents, and as such, cannot attach these documents to the Amended Complaint, however, Defendants should be in possession of same).

17. Defendant, ARGOSY’s marketing materials further stated: “...*we pave the way for our students’ success with curriculum that focuses on the interpersonal skills and **practical experience** along with academic learning.*” (emphasis added)

18. Defendant, ARGOSY’s marketing materials also represented that: “*The intimacy of a small college campus. The resources of a large University*”. “*Students who have been to other schools are often amazed at how much support you get here.*” “*You’re part of a close-knit community; you’ll also enjoy a rare breadth of resources and dialogue.*” “*From your first course to your last internship, it’s all about challenging you to become the best practitioner you*

can be”. *“Personalized training is key. Students spend nearly three semesters **getting face-to-face practice under closely supervised conditions**, and get extra support through class meetings.”* (emphasis added).

19. In marketing its PSY D program, ARGOSY fraudulently and falsely misrepresented to Plaintiffs ALLEN, HLOSKA and ESCUDIE that it had a high percentage rate in placing students in Practica and Internship sites or slots (“slots”), and that students, including these Plaintiffs, could timely complete their graduate degree program because of the ability to be placed in a Practica or Internship slot. This information was contained in ARGOSY’S marketing materials and was provided by ARGOSY to the Association of Psychology Postdoctoral and Internship Centers (“APPIC”).

20. After Defendant EDMC purchased and became parent company to Defendant ARGOSY, Defendant EDMC put policies in place that were directed at substantially increasing enrollment at ARGOSY, along with all other schools under EDMC’s umbrella, even though it knew or should have known that there weren’t enough internship “slots” available at ARGOSY to meet the increased enrollment.

21. Defendant ARGOSY complied with Defendant EDMC instructions and substantially increased enrollment in its PSY. D programs even though it knew that there weren’t enough internship “slots” available to cover the increase.

22. In truth, at the time Plaintiffs ALLEN, HLOSKA and ESCUDIE contracted with ARGOSY to enter and attend the doctoral curriculum, ARGOSY had actual knowledge that it had an insufficient number of Practica and Internship slots available for the number of students enrolled in that curriculum, the availability of which slots were crucial to completing the doctorate degree.

23. The representations made by ARGOSY concerning the availability of Practica and Internship slots and placement numbers were fictitious or illusory, and were made solely for the purpose of enticing Plaintiffs ALLEN, HLOSKA and ESCUDIE to enroll in its school and curriculum.

24. In an effort to maintain its accreditation and support the fiction or illusion that there were an adequate number of Practica and Internship slots available to each student in that curriculum, ARGOSY, through its employees, agents or representatives, either forced students to withdraw from the PSY D program or arbitrarily or capriciously, or in bad faith failed its students from the PSY D program for non-meritorious reasons prior to their application and/or match day for a Practica or Internship slot so the students could not discover that such slots did not exist.

25. For some high achieving students whose objective academic performance was a good predictor of internship placement, at some point in time prior to matching day, if ARGOSY determined that internship placement of these students became unlikely, the high performing students were arbitrarily and capriciously given a grade of incomplete or a grade of progressing on the final task, so as to permit ARGOSY to fail said students, thereby disqualifying the high performing students from the internship process and thereby allowing ARGOSY to maintain the illusion of higher internship placement rates.

26. At all times material hereto, it was well known that if a student got on the “bad list” of Dr. Jeanne Peterson, Dean of ARGOSY’s PSY-D program, or Dr. Kathie Bates, Director of Clinical Training, by questioning any policy, lecture material or seemingly unfair treatment, even respectfully, students were likely to be failed in an arbitrary and capricious manner,

regardless of that student's grades, evaluations or abilities, in order to maintain a high internship rate placement.

27. At all relevant times, ARGOSY, through its marketing materials, informational data provided to organizations like APPIC, or through representations made by employees or agents of ARGOSY, discouraged or prevented potential students, such as the Plaintiffs, from readily discovering that the true number of slots available for Practica and Internships was insufficient to meet the needs of the students. ARGOSY did this in several ways, including but not limited to:

- a) ARGOSY failed to disclose the total number of students in the PYS D program who were eligible for these slots;
- b) ARGOSY failed to disclose the number of students who withdrew just prior to the time of their internship and/or match day;
- c) ARGOSY failed to disclose the total number of students who had been failed prior to the time of their internship and/or match day;
- d) ARGOSY failed to disclose the number of students who were encouraged to change, and in fact, did change their postdoctoral degree of study from PSY D to some other program offered by ARGOSY prior to those students' application for the slots; and
- e) ARGOSY's faculty or employees made frequent oral statements/comments to students giving students a false sense of security regarding the availability of internship slots.

28. This uniform practice artificially inflated ARGOSY's success rate in placing its students in the Practica and Internship programs, and served to deprive its students and potential

enrollees from readily determining that the number of those available Practica and Internship slots was insufficient to accommodate all of the students enrolled in that curriculum.

29. As detailed below, the representations made by ARGOSY with respect to its available Practica and Internship slots were fraudulent and intentionally false and misleading. Its practice of falsely and fraudulently misrepresenting the availability of Practica and Internship slots, which are required to complete the PSY D degree, misled students into believing that Practica and Internship slots were available to any student who qualified for them when, in fact, they were not. Plaintiffs could not and did not learn of these tactics and the implications thereof until after 2009, when Plaintiffs became aware of other PSY D students with similar experiences, and when Plaintiffs became aware that the United States Government Accountability Office and the United States Senate Health, Education, Labor and Pensions Committee had begun investigating For-Profit Colleges like ARGOSY for misrepresentations and fraudulent behavior.

30. Federal law requires educational institutions receiving Title IV funds from the federal government to “make certain information readily available to enrolled and prospective students. Institutions may satisfy their disclosure requirements by posting the information on their internet web sites. Information to be provided includes: tuition, fees and other estimated costs; the institution’s refund policy; the requirements and procedures for withdrawing from the institution; a summary of the requirements for the return of Title IV grant or loan assistance funds; the institution’s accreditation information; the institution’s completion or graduation rate.” Both federal and Florida law require academic institutions to make this information readily available to prospective students *before they enroll in any program*.

31. At all times material hereto, the primary way in which prospective ARGOSY or EDMC students obtained information about the schools before enrolling was by accessing the

school's websites. However, none of the websites operated by ARGOSY or EDMC contained complete and/or accurate information about full tuition costs, admissions, graduation rates, or financial aid processes, information required by Title IV's disclosure obligations for postsecondary institutions. Attempts to find specific information on any of the sites lead only to an option to complete an online enrollment form, in violation of federal and Florida law.

32. At all times material hereto, ARGOSY misrepresented and failed to disclose to all potential students, including Plaintiffs ALLEN, HLOSKA and ESCUDIE, the true cost of attending ARGOSY. In particular, ARGOSY and/or EDMC misrepresented the cost of attendance at ARGOSY by quoting tuition rates only for portions of a given degree program, and/or by failing to disclose hidden administrative fees associated with each program.

33. At all times material hereto, ARGOSY made written and oral misrepresentations regarding the quality of its academic programs, the reputation these programs enjoy with potential internship sites and employers, and the availability of practicum and intern sites. Through normal due diligence, the veracity of these representations were not easily known or discoverable to the Plaintiffs.

34. At all times material hereto, ARGOSY made written and oral misrepresentations regarding the availability of local practicum and intern sites. Through normal due diligence, the veracity of these representations were not easily known or discoverable to Plaintiffs ALLEN and ESCUDIE.

35. Students, like the Plaintiffs, were advised, either by enrollment advisers or during the admission process, that they would be able to complete the necessary coursework, including their internships, and earn their degree within five (5) years.

36. At all times material hereto, ARGOSY, during the admissions process, through its enrollment advisers, or while enrolled in the program, made false and misleading statements to prospective students like the Plaintiffs, about the reputation, quality and value of an ARGOSY education.

37. At all times material hereto, ARGOSY and EDMC also mislead students, like the Plaintiffs, about their federal financial aid options, particularly with respect to federally financed student loans. ARGOSY, through written and/or oral misrepresentations and through material omissions, mislead students about some or all of the following:

- a) the fact that loans are disbursed directly to ARGOSY, rather than the student;
- b) the maximum allowable amount of student loans for which prospective students may qualify;
- c) the fact EDMC schools are obligated to comply with Title IV's 90/10 rule, and that violation of Title IV's 90/10 rule would put students like the plaintiffs at risk of losing the ability to finance their education through federally financed student loans;
- d) the fact that ARGOSY students default on their loans at a higher rate than the national average;
- e) the fact that their incomes after graduation would be insufficient to pay off their student loans; and
- f) the fact that federal student loans are not dischargeable in bankruptcy.

38. During the enrollment, the admissions process, or while enrolled in the program, ARGOSY and EDMC employees pressured and/or strongly encouraged prospective students, like the Plaintiffs, to pay for their education at ARGOSY with federally financed student loans.

39. During the enrollment or admissions process, ARGOSY and/or EDMC, on its own and without authority of students such as Plaintiff ESCUDIE, applied for the maximum federal student loan amount to which the prospective student would qualify.

### **FACTUAL ALLEGATIONS SPECIFIC TO EACH PLAINTIFF**

40. On or about December 2002, Plaintiff HLOSKA, based upon the marketing information and representations made by ARGOSY, applied to ARGOSY's Masters and PSY D program to for the purpose of earning those degrees.

41. On or about May 2003, Plaintiff HLOSKA was admitted to ARGOSY's PSY D curriculum.

42. Throughout her time in the PSY D program, HLOSKA maintained high grades and evaluations.

43. In order to graduate from the PSY D program with a degree in Clinical Psychology, all students were required to first complete a Comprehensive Clinical Evaluation – Diagnostic ("CCE-D") practicum, and a Comprehensive Clinical Evaluation – Intervention ("CCE-I) practicum. Once completed, the student could then apply for an internship. Students were not eligible to apply for practicums unless they were in good academic standing, with a GPA between 3.0 – 4.0. Students are given two (2) opportunities to complete their CCE-D and CCE-I Practica.

44. Plaintiff HLOSKA was assigned a student to teach her an aspect of her first Practica. The student was not herself properly trained, and the areas taught by the student, as

reflected in the materials, documents and reports, were insufficient, and as a result, Plaintiff HLOSKA failed her first Practica.

45. On her second attempt at passing the Practica, Plaintiff HLOSKA was arbitrarily and capriciously failed again, this time being informed that the materials, documents, and reports she submitted were insufficient.

46. The failing of Plaintiff HLOSKA was arbitrary and capricious because it was based on prejudice held by Dr. Peterson resulting in her being placed on the “bad list”, rather than based on an objective and fair review of her materials and performance. Subsequent to her failing, Dr. Henry, her CCE-D Chair and academic advisor, reviewed her materials and opined that based on the quality of her work, she should have passed.

47. The prejudice stems from Plaintiff HLOSKA being on Dr. Peterson’s “bad list”.

48. The subjectiveness of the CCE process enabled the Defendants to fail Plaintiff HLOSKA arbitrarily and capriciously.

49. As a result of failing the Practica a second time, Plaintiff HLOSKA became ineligible for an internship, and was failed out of the program.

50. After appealing the decision, on or about May 2007, Plaintiff HLOSKA was informed that her appeal was denied. She was further informed on or about September 2007 that she could transfer into a Licensed Mental Health Professional program at ARGOSY, but that she would need to earn an additional 30 credit hours before being graduation eligible. She rejected this offer and was terminated from the PSY D program.

51. As a direct and proximate result of the actions of the Defendants, Plaintiff HLOSKA has sustained significant damages, including, but not limited to loss of income, loss of earning capacity, and outstanding federal student loans.

52. Plaintiff ESCUDIE enrolled in ARGOSY after having obtained a B.A. degree in psychology from California State University with a 4.0 GPA, and a Masters degree in counseling from The College of William and Mary with a 3.7 GPA.

53. Plaintiff ESCUDIE was admitted to ARGOSY on or about September 2003 in the PSY D program.

54. After passing the CCE-D, Plaintiff ESCUDIE then began her CCE-I Practica.

55. On May 1, 2007, Plaintiff ESCUDIE, while receiving evaluations across the board of “Adequate/Good – Strong” throughout her coursework in the PSY D program, was advised that she had not successfully completed the CCE-I, and was given neither a “pass” nor “fail”, but instead, a “PR” (progress) and was instructed to take another CCE-I for an additional semester, in the process incurring additional expenses.

56. After working at another Practica site for an additional semester, at additional expense, when it appeared that there still was not an internship slot available for Plaintiff ESCUDIE, Plaintiff ESCUDIE was arbitrarily and capriciously given an incomplete on the paper in support of the CCE-I, and was failed on the CCE-I.

57. In contradiction of its own policy, ARGOSY failed to permit Plaintiff ESCUDIE to defend herself on her appear prior to rendering a final decision to dismiss or fail Plaintiff ESCUDIE.

58. The failing of Plaintiff ESCUDIE was arbitrary and capricious because it was based on prejudice held by Dr. Peterson, rather than based an objective and fair review of her materials and performance.

59. The prejudice stems from Plaintiff ESCUDIE being on Dr. Peterson’s “bad list”.

60. The subjectiveness of the CCE process enabled the Defendants to fail Plaintiff ESCUDIE arbitrarily and capriciously.

61. As a direct and proximate result of the actions of the Defendants, Plaintiff ESCUDIE has sustained significant damages, including, but not limited to loss of income, loss of earning capacity, and outstanding federal student loans.

62. Plaintiff ALLEN was enrolled in ARGOSY on or about September 2005.

63. Throughout her time in the PSY D program, ALLEN maintained high grades and evaluations.

64. Plaintiff ALLEN enrolled in her first CCE-D Practica during the 2007-2008 academic year. She was advised in the spring 2008 that she had not passed the CCE-D. She was then instructed to take a Supplemental Diagnostic Skill Development course, in an effort to “help her be successful” on the next attempt at completing her CCE-D.

65. After completing her second attempted CCE-D, at additional expense, Plaintiff ALLEN was advised that she had passed the written portion of the Practica, and was eligible to make her oral presentation/defense.

66. After making her oral presentation, Plaintiff ALLEN was informed that she had failed this portion of the CCE-D, a decision made arbitrarily and capriciously, resulting in her dismissal from the PSY D program.

67. The failing of Plaintiff ALLEN was arbitrary and capricious because it was based on prejudice held by Dr. Peterson, rather than based on objective and fair review of her materials and performance.

68. The prejudice stems from Plaintiff ALLEN being on Dr. Peterson’s “bad list”.

69. The subjectiveness of the CCE process enabled the Defendants to fail Plaintiff ALLEN arbitrarily and capriciously.

70. As a direct and proximate result of the actions of the Defendants, Plaintiff ALLEN has sustained significant damages, including, but not limited to loss of income, loss of earning capacity, and outstanding federal student loans.

71. Plaintiff GARLITZ enrolled in ARGOSY on or about January 2001.

72. Throughout her time in the PSY D program, GARLITZ maintained high grades and evaluations.

73. On or about March 2005, Plaintiff GARLITZ passed her CCE-D.

74. After completing her first semester of the CCE-I, passing her mock written and oral presentation and receiving high marks on her evaluations, she began her second semester of CCE-I work.

75. For the second semester of her CCE-I, she was given a new client. Once again, she was informed that her therapy skills were strong, however, when it came time review her written materials in support of the new client CCE-I (therapy CCE), she was informed that her materials needed to be re-written.

76. While GARLITZ continued to receive high evaluations on her therapy skills from both her site supervisor and from Dr. Costas, because of the feedback she received regarding her written materials, GARLITZ re-wrote the entire CCE-I.

77. After turning in her re-write, GARLITZ was informed that it was still unacceptable and was directed to re-write it for a second time.

78. After turning in her second re-write, she was informed that it had improved and was now minimally acceptable, however, she was advised that the recorded tape of her sessions

with the client were unintelligible, and as such, despite the fact that her re-write was now now accepted and she was complimented on her therapy skills, it was recommended that she start over with another new client, meaning she would have to re-take the CCE-I for a second time, at an additional expense.

79. After completing her second CCE-I, and receiving good feedback from her site supervisor and from Dr. Costas, who indicated she should be ready to present the oral portion of the CCE-I, GARLITZ was informed that while she had passed the written portion, due to the fact that her therapy skills were so poor, she had now failed the therapy portion of her CCE-I, a decision which was made arbitrarily and capriciously, and as such, she would have to retake an additional year of therapy practicum.

80. The failing grade on her therapy portion of the CCE-I was arbitrary and capricious because it was based on prejudices held by Dr. Peterson resulting in her being placed on the “bad list”, rather than based an objective and fair review of her materials and performance.

81. The prejudice stems from Plaintiff GARLITZ being on Dr. Bates’ and Dr. Peterson’s “bad list”.

82. The subjectiveness of the CCE process enabled the Defendants to fail Plaintiff GARLITZ arbitrarily and capriciously.

83. GARLITZ left ARGOSY before she could be dismissed.

84. As a direct and proximate result of the actions of the Defendants, Plaintiff GARLITZ has sustained significant damages, including, but not limited to loss of income, loss of earning capacity, and outstanding federal student loans.

**COUNT I**  
**(Violation of Florida’s Deceptive and Unfair Trade Practices Act and similar Deceptive and Unfair Trade Practices of other States - as to Plaintiff ALLEN)**

85. Plaintiff ALLEN realleges and incorporates by reference Paragraphs 1 through 24, 26 – 38, and 62 – 70 above as if fully set forth herein.

86. This is a claim for violation of Florida’s Deceptive and Unfair Trade Practices Act (“FDUTPA”), Fla. Stat. §§ 501.201-501.2101 and those numerous other states deceptive and unfair trade practices acts (“DUTPA”) that are in all material respects the same as FDUTPA.

87. FDUTPA, and the numerous other states DUTPA statutes that are in all material respects analogous to FDUTPA, provide that unfair methods of competition, unconscionable acts and practices, and unfair or deceptive acts or practices in the conduct “of any trade or commerce” are unlawful. Under FDUTPA and the analogous provisions of those numerous other states DUTPA statutes that are in all material respects the same as FDUTPA, trade or commerce is defined to include any advertisement or solicitation relating to anything of value.

88. Plaintiff ALLEN is a consumer as defined and construed under the FDUTPA, and the analogous provisions of those numerous other states’ DUTPA statutes that are in all material respects the same as FDUTPA.

89. The practices employed by EDMC, ARGOSY and ARGOSY EDUCATION GROUP, whereby Defendants marketed its PSY D program by comparing its practicum and internship placement levels and graduation rankings to those of other educational facilities, while many of the students enrolled at ARGOSY were never able to achieve placement or graduation at the fictitious level and ranking, was unfair, deceptive and misleading.

90. Defendants' actions amount to unfair and/or deceptive acts in violation of the FDUTPA and those numerous other states DUTPA statutes that are in all material respects the

same as FDUTPA. See, for example, *Latman v. Costa Cruise-Lines*, 758 So2d 699 (Fla. 3<sup>rd</sup> DCA 2000).

91. Plaintiff ALLEN reserves the right to allege other violations of law that constitute unlawful business acts or practices based on the above-alleged conduct. Such conduct is ongoing and continues to this date.

**WHEREFORE**, Plaintiff ALLEN demands judgment against the Defendants for (1) actual and/or compensatory damages, and/or the recovery of civil penalties as provided by Fla. Stat. § 501.2075, and the analogous provisions of those numerous other states' DUTPA statutes that are in all material respects the same as FDUTPA, (2) the costs of this proceeding and attorney's fees, as provided by Fla. Stat. § 501.2105, and the analogous provisions of those numerous other states' DUTPA statutes that are in all material respects the same as FDUTPA, (3) an order enjoining the Defendants from continuing their unfair and/or deceptive conduct, and (4) any such other relief as this Court deems just and proper.

**COUNT II**  
**(Unjust Enrichment – as to Plaintiff ALLEN)**

92. Plaintiff ALLEN repeats and realleges the allegations contained in Paragraphs 1 through 24, 26 – 38, and 62 – 70 above, as if fully set forth herein.

93. Plaintiff ALLEN has paid monies to the Defendants, ARGOSY, EDMC and/or ARGOSY EDUCATION GROUP for tuition, in exchange for which Plaintiff ALLEN was to be provided with a reasonable opportunity to obtain a PSY D degree.

94. Because of the actions of Defendants, including but not limited to those outlined herein, Plaintiff ALLEN was not afforded a reasonable opportunity to obtain a PSY D degree.

95. As a result, Plaintiff ALLEN has conferred a benefit on Defendants and Defendants had knowledge of this benefit and voluntarily accepted and retained the benefit conferred upon them.

96. Defendants will be unjustly enriched if they are allowed to retain such funds, and Plaintiff ALLEN is entitled to an amount equal to the amount Plaintiff ALLEN enriched Defendants and for which Defendants have been unjustly enriched.

**WHEREFORE**, Plaintiff ALLEN demands an award against the Defendants for the amounts equal to the amount Plaintiff ALLEN enriched Defendants and for which Defendants have been unjustly enriched, and such other relief as this Court deems just and proper.

**COUNT III**  
**(Breach of Contract – as to Plaintiff ALLEN)**

97. Plaintiff ALLEN repeats and realleges the allegations contained in Paragraphs 1 through 24, 26 – 38, and 62 – 70 above, as if fully set forth herein.

98. The facts and circumstances of this case, in accord with the applicable Florida law, give rise to the existence of an implied-in-fact contract (“CONTRACT”) between Plaintiff ALLEN and the Defendants, EDMC, ARGOSY and/or ARGOSY EDUCATION GROUP.

99. As set out with more particularity in the incorporated paragraphs, Defendants were contractually obligated to provide Plaintiff ALLEN, with a PSY D education, which included Practica and Internship opportunities.

100. Defendants materially breached the CONTRACT by failing to provide said Practica and Internship opportunities to Plaintiff ALLEN, causing her to be unable to receive her PYS D degree.

101. Also, Defendants, by and through the conduct or actions of their employees, including but not limited to Dr. Jeanne Peterson, materially breached the CONTRACT by arbitrarily and capriciously failing Defendant Allen.

102. All conditions precedent to the this cause of action have occurred or have been waived.

**WHEREFORE**, Plaintiff ALLEN demands judgment against the Defendants for all damages due under the CONTRACT, for attorney's fees and costs, and for such other and further relief as this Honorable Court deems appropriate and just.

**COUNT IV**  
**(Breach of Implied Covenant of Good Faith and Fair Dealing -  
as to Plaintiff ALLEN)**

103. Plaintiff ALLEN repeats and realleges the allegations contained in Paragraphs 1 through 24, 26 – 38, and 62 – 70 above, as if fully set forth herein.

104. There is a covenant of good faith and fair dealing implied in every contract. This implied covenant requires each contracting party to refrain from doing anything to injure the right of the other to receive the benefits of the agreement.

105. Defendants, by and through the conduct or actions of their employees, including but not limited to Dr. Jeanne Peterson, breached the implied covenant of good faith and fair dealing in their contract with Plaintiff ALLEN by taking steps to interfere with her ability to receive the benefits of the education promised by Defendants.

106. As a result of Defendants' breach of the implied covenant of good faith and fair dealing, Plaintiff ALLEN has been damaged.

**WHEREFORE**, Plaintiff ALLEN demands judgment against the Defendants for all damages due, for attorney's fees and costs, and for such other and further relief as this Honorable Court deems appropriate and just.

**COUNT V**  
**(Negligent Misrepresentation -  
as to Plaintiff ALLEN)**

107. Plaintiff ALLEN repeats and realleges the allegations contained in Paragraphs 1 through 24, 26 – 38, and 62 – 70 above, as if fully set forth herein.

108. Defendants made material written and oral misrepresentations regarding the cost of attending ARGOSY, the value of the doctoral program at the school, the abundance of, and high percentage of placement in practica and outside and local internship slots, and students' post graduate employability. Defendants also omitted to disclose the material facts alleged herein. When Defendants made these representations and omissions, they had no reasonable grounds for believing them to be true. Nonetheless, Defendants made these material misrepresentations and omissions in order to induce Plaintiff ALLEN to act in reliance on these representations and to enroll at ARGOSY. Plaintiff ALLEN relied on these negligent representations before entering into any contractual agreements regarding enrolling at ARGOSY and relied on these misrepresentations in deciding to so enroll.

109. At the time Defendants made the misrepresentations discussed herein, Plaintiff ALLEN was ignorant of the true facts. Had she known the true facts, Plaintiff ALLEN would not have enrolled at ARGOSY.

110. As a direct and proximate result of the Defendants' negligent conduct, Plaintiff ALLEN has been damaged.

**WHEREFORE**, Plaintiff ALLEN demands judgment against the Defendants for all damages due, for attorney's fees and costs, and for such other and further relief as this Honorable Court deems appropriate and just.

**COUNT VI**  
**(Fraud -**  
**as to Plaintiff ALLEN)**

111. Plaintiff ALLEN repeats and realleges the allegations contained in Paragraphs 1 through 24, 26 – 38, and 62 – 70 above, as if fully set forth herein.

112. As part of their fraudulent recruiting program, Defendants engaged in a pattern and practice of knowingly and intentionally making numerous false representations of material fact, and material omissions, as noted herein, with intent to deceive and/or induce reliance by Plaintiff ALLEN. Specifically, ARGOSY knew or should have known that it had severe shortage nationally of Practica and Internship slots available for the number of students enrolled in that curriculum. Despite this fact, ARGOSY made numerous representations, both orally and in writing, concerning the availability of Practica and Internship slots and placement numbers solely for the purpose of enticing the Plaintiffs to enroll in its school and curriculum. Plaintiff ALLEN did in fact justifiably rely on these misrepresentations and omissions, resulting in substantial damage to Plaintiff ALLEN.

113. The representations noted herein were part of a common scheme or plan and a pattern or practice conceived and executed by Defendants, over the course of the entire statutory period and prior, through their individual employees, including without limitation, enrollment advisors and financial aid officers.

114. Defendants knew that these misrepresentations were false when made, and made them with the intent to induce Plaintiff ALLEN to rely upon them.

115. In addition, Defendants occupied a fiduciary position as educators, and owed a heightened duty to Plaintiff ALLEN to act in good faith and with full candor and honesty. Defendants breached these fiduciary duties and duties of good faith, candor, and disclosure by omitting to disclose material facts to Plaintiff ALLEN, including:

- a) That ARGOSY charges some of the highest tuition rates in the country;
- b) That federal student loans are not dischargeable through bankruptcy;
- c) That a doctoral degree from ARGOSY is not nearly as marketable as similar doctorates from traditional doctoral schools;
- d) That ARGOSY students default on their student loans at a higher rate than the national average;
- e) That ARGOSY's dismissal and withdrawal rate from its doctoral program are higher than the national average for similar doctoral programs; and
- f) That students at Argosy are subject to arbitrary and capricious dismissal if they find themselves on Dr. Jeanne Peterson's "bad list", regardless of how well they perform academically.

116. Plaintiff ALLEN was ignorant of the true facts and relied upon Defendants' misrepresentations in deciding to enroll at ARGOSY.

117. Accordingly, Plaintiff ALLEN has been damaged.

118. Defendants' herein-alleged wrongful acts and omissions, and each of them, were made knowingly, willfully, intentionally, maliciously, oppressively, and were fraudulently undertaken with the express purpose and intention of defrauding Plaintiff ALLEN, all to the substantial financial benefit of the Defendants. As a result, Plaintiff ALLEN is entitled to punitive damages.

**WHEREFORE**, Plaintiff ALLEN demands judgment against the Defendants for all damages due, for punitive damages, for attorney's fees and costs, and for such other and further relief as this Honorable Court deems appropriate and just.

**COUNT VII**  
**(Violation of Florida's Deceptive and Unfair Trade Practices Act and Similar Deceptive and Unfair Trade Practices of Other States - as to Plaintiff ESCUDIE)**

119. Plaintiff ESCUDIE realleges and incorporates by reference Paragraphs 1 through 34, 36, 37, 39, and 52 - 61 above, as if fully set forth herein.

120. This is a claim for violation of Florida's Deceptive and Unfair Trade Practices Act ("FDUTPA"), Fla. Stat. §§ 501.201-501.2101 and those numerous other states deceptive and unfair trade practices acts ("DUTPA") that are in all material respects the same as FDUTPA.

121. FDUTPA, and the numerous other states DUTPA statutes that are in all material respects analogous to FDUTPA, provide that unfair methods of competition, unconscionable acts and practices, and unfair or deceptive acts or practices in the conduct "of any trade or commerce" are unlawful. Under FDUTPA and the analogous provisions of those numerous other states DUTPA statutes that are in all material respects the same as FDUTPA, trade or commerce is defined to include any advertisement or solicitation relating to anything of value.

122. Plaintiff ESCUDIE is a consumer as defined and construed under the FDUTPA, and the analogous provisions of those numerous other states' DUTPA statutes that are in all material respects the same as FDUTPA.

123. The practices employed by EDMC, ARGOSY and ARGOSY EDUCATION GROUP, whereby Defendants marketed its PSY D program by comparing its practicum and internship placement levels and graduation rankings to those of other educational facilities, while

many of the students enrolled at ARGOSY were never able to achieve placement or graduation at the fictitious level and ranking, is unfair, deceptive and misleading.

124. Defendants' actions amount to unfair and/or deceptive acts in violation of the FDUTPA and those numerous other states DUTPA statutes that are in all material respects the same as FDUTPA. See, for example, *Latman v. Costa Cruise-Lines*, 758 So2d 699 (Fla. 3<sup>rd</sup> DCA 2000).

125. Plaintiff ESCUDIE reserves the right to allege other violations of law that constitute unlawful business acts or practices based on the above-alleged conduct. Such conduct is ongoing and continues to this date.

**WHEREFORE**, Plaintiff ESCUDIE demands an award against the Defendants for (1) actual and/or compensatory damages, and/or the recovery of civil penalties as provided by Fla. Stat. § 501.2075, and the analogous provisions of those numerous other states' DUTPA statutes that are in all material respects the same as FDUTPA, (2) the costs of this proceeding and attorney's fees, as provided by Fla. Stat. § 501.2105, and the analogous provisions of those numerous other states' DUTPA statutes that are in all material respects the same as FDUTPA, (3) an order enjoining Defendants from continuing their unfair and/or deceptive conduct, and (4) any such other relief as this Court deems just and proper.

**COUNT VIII**  
**(Unjust Enrichment – as to Plaintiff ESCUDIE)**

126. Plaintiff ESCUDIE repeats and realleges the allegations contained in Paragraphs 1 through 34, 36, 37, 39, and 52 - 61 above, as if fully set forth herein.

127. Plaintiff ESCUDIE has paid monies to Defendants, EDMC, ARGOSY and/or ARGOSY EDUCATION GROUP, for tuition, in exchange for which Plaintiff ALLEN was to be provided with a reasonable opportunity to obtain a PSY D degree.

128. Because of the actions of Defendants, including but not limited to those outlined herein, Plaintiff ESCUDIE was not afforded a reasonable opportunity to obtain a PSY D degree.

129. As a result, Plaintiff ESCUDIE has conferred a benefit on Defendants, and Defendants had knowledge of this benefit and voluntarily accepted and retained the benefit conferred upon them.

130. Defendants will be unjustly enriched if they are allowed to retain such funds, and Plaintiff ESCUDIE is entitled to an amount equal to the amount Plaintiff ESCUDIE enriched Defendants and for which Defendants have been unjustly enriched.

**WHEREFORE**, Plaintiff ESCUDIE demands an award against the Defendants for the amounts equal to the amount Plaintiff ESCUDIE enriched Defendants and for which Defendants have been unjustly enriched, and such other relief as this Court deems just and proper.

**COUNT IX**  
**(Breach of Contract – as to Plaintiff ESCUDIE)**

131. Plaintiff ESCUDIE repeats and realleges the allegations contained in Paragraphs 1 through 34, 36, 37, 39, and 52 - 61 above, as if fully set forth herein.

132. The facts and circumstances of this case, in accord with the applicable Florida law, give rise to the existence of an implied-in-fact contract (“CONTRACT”) between Plaintiff ESCUDIE and the Defendants, EDMC, ARGOSY and/or ARGOSY EDUCATION GROUP.

133. As set out with more particularity in the incorporated paragraphs, Defendants were contractually obligated to provide Plaintiff ESCUDIE, with a PSY D education, which included Practica and Internship opportunities.

134. Defendants materially breached the CONTRACT by failing to provide said Practica and Internship opportunities to Plaintiff ESCUDIE, causing her to be unable to receive her PYS D degree.

135. Also, Defendants, by and through the conduct or actions of their employees, including but not limited Dr. Jeanne Peterson, materially breached the CONTRACT by arbitrarily and capriciously failing Defendant ESCUDIE.

136. All conditions precedent to this cause of action have occurred or have been waived.

**WHEREFORE,** Plaintiff ESCUDIE demands judgment against the Defendants for all damages due under the CONTRACT, for attorney's fees and costs, and for such other and further relief as this Honorable Court deems appropriate and just.

**COUNT X**  
**(Breach of Implied Covenant of Good Faith and Fair Dealing -  
as to Plaintiff ESCUDIE)**

137. Plaintiff ESCUDIE repeats and realleges the allegations contained in Paragraphs 1 through 34, 36, 37, 39, and 52 - 61 above, as if fully set forth herein.

138. There is a covenant of good faith and fair dealing implied in every contract. This implied covenant requires each contracting party to refrain from doing anything to injure the right of the other to receive the benefits of the agreement.

139. Defendants, by and through the conduct or actions of their employees, including but not limited to Dr. Jeanne Peterson, breached the implied covenant of good faith and fair dealing in their contract with Plaintiff ESCUDIE by taking steps to interfere with her ability to receive the benefits of the education promised by Defendants.

140. As a result of Defendants' breach of the implied covenant of good faith and fair dealing, Plaintiff ESCUDIE has been damaged.

**WHEREFORE**, Plaintiff ESCUDIE demands judgment against the Defendants for all damages due, for attorney's fees and costs, and for such other and further relief as this Honorable Court deems appropriate and just.

**COUNT XI**  
**(Negligent Misrepresentation -**  
**as to Plaintiff ESCUDIE)**

141. Plaintiff ESCUDIE repeats and realleges the allegations contained in Paragraphs 1 through 34, 36, 37, 39, and 52 - 61 above, as if fully set forth herein.

142. Defendants made uniform and identical material written and oral misrepresentations regarding the cost of attending ARGOSY, the value of the doctoral program at the school, the abundance of, and high percentage of placement in practica and outside and local internship slots, and students' post graduate employability. Defendants also omitted to disclose the material facts alleged herein. When Defendants made these representations and omissions, they had no reasonable grounds for believing them to be true. Nonetheless, Defendants made these material misrepresentations and omissions in order to induce Plaintiff ESCUDIE to act in reliance on these representations and to enroll at ARGOSY. Plaintiff ESCUDIE relied on these negligent representations before entering into any contractual

agreements regarding enrolling at ARGOSY and relied on these misrepresentations in deciding to so enroll.

143. At the time Defendants made the misrepresentations discussed herein, Plaintiff ESCUDIE was ignorant of the true facts. Had she known the true facts, Plaintiff ESCUDIE would not have enrolled at ARGOSY.

144. As a direct and proximate result of the Defendants' negligent conduct, Plaintiff ESCUDIE has been damaged.

**WHEREFORE**, Plaintiff ESCUDIE demands judgment against the Defendants for all damages due, for attorney's fees and costs, and for such other and further relief as this Honorable Court deems appropriate and just.

**COUNT XII**  
**(Fraud -**  
**as to Plaintiff ESCUDIE)**

145. Plaintiff ESCUDIE repeats and realleges the allegations contained in Paragraphs 1 through 34, 36, 37, 39, and 52 - 61 above, as if fully set forth herein.

146. As part of their fraudulent recruiting program, Defendants engaged in a pattern and practice of knowingly and intentionally making numerous false representations of material fact and material omissions, as noted herein, with intent to deceive and/or induce reliance by Plaintiff ESCUDIE. Specifically, ARGOSY knew or should have known that it had a severe shortage nationally of Practica and Internship slots available for the number of students enrolled in that curriculum. Despite this fact, ARGOSY made numerous representations, both orally and in writing, concerning the availability of Practica and Internship slots and placement numbers solely for the purpose of enticing the Plaintiffs to enroll in its school and curriculum. Plaintiff ESCUDIE did in fact justifiably rely on these misrepresentations and omissions, resulting in

substantial damage to Plaintiff ESCUDIE. Plaintiff ESCUDIE did in fact justifiably rely on these misrepresentations and omissions, resulting in substantial damage to Plaintiff ESCUDIE.

147. The representations noted herein were part of a common scheme or plan and a pattern or practice conceived and executed by Defendants, over the course of the entire statutory period and prior, through their individual employees, including without limitation, enrollment advisors and financial aid officers.

148. Defendants knew that these misrepresentations were false when made, and made them with the intent to induce Plaintiff ESCUDIE to rely upon them.

149. In addition, Defendants occupied a fiduciary position as educators, and owed a heightened duty to Plaintiff ESCUDIE to act in good faith and with full candor and honesty. Defendants breached these fiduciary duties and duties of good faith, candor, and disclosure by omitting to disclose material facts to Plaintiff ESCUDIE, including:

- a) That ARGOSY charges some of the highest tuition rates in the country;
- b) That federal student loans are not dischargeable through bankruptcy;
- c) That a doctoral degree from ARGOSY is not nearly as marketable as similar doctorates from traditional doctoral schools;
- d) That ARGOSY students default on their student loans at a higher rate than the national average;
- e) That ARGOSY's dismissal and withdrawal rate from its doctoral program are higher than the national average for similar doctoral programs; and
- f) That students at ARGOSY are subject to arbitrary and capricious dismissal if they find themselves on Dr. Jeanne Peterson's "bad list", regardless of how well they perform academically.

150. Plaintiff ESCUDIE was ignorant of the true facts and relied upon Defendants' misrepresentations in deciding to enroll at ARGOSY.

151. Accordingly, Plaintiff ESCUDIE has been damaged.

152. Defendants' herein-alleged wrongful acts and omissions, and each of them, were made knowingly, willfully, intentionally, maliciously, oppressively, and were fraudulently undertaken with the express purpose and intention of defrauding Plaintiff ESCUDIE, all to the substantial financial benefit of the Defendants. As a result, Plaintiff ESCUDIE is entitled to punitive damages.

**WHEREFORE,** Plaintiff ESCUDIE demands judgment against the Defendants for all damages due, for punitive damages, for attorney's fees and costs, and for such other and further relief as this Honorable Court deems appropriate and just.

**COUNT XIII**  
**(Breach of Implied Covenant of Good Faith and Fair Dealing –  
as to Plaintiff HLOSKA)**

153. Plaintiff HLOSKA repeats and realleges the allegations contained in Paragraphs 1 through 33, 35 - 38, and 40 - 51 above, as if fully set forth herein.

154. There is a covenant of good faith and fair dealing implied in every contract. This implied covenant requires each contracting party to refrain from doing anything to injure the right of the other to receive the benefits of the agreement.

155. Defendants, by and through the conduct or actions of their employees, including but not limited to Dr. Jeanne Peterson, breached the implied covenant of good faith and fair dealing in their contract with Plaintiff HLOSKA by taking steps to interfere with her ability to receive the benefits of the education promised by Defendants.

156. Also, Defendants materially breached the CONTRACT by arbitrarily and capriciously failing Defendant HLOSKA.

157. As a result of Defendants' breach of the implied covenant of good faith and fair dealing, Plaintiff HLOSKA has been damaged.

**WHEREFORE,** Plaintiff HLOSKA demands judgment against the Defendants for all damages due, for attorney's fees and costs, and for such other and further relief as this Honorable Court deems appropriate and just.

**COUNT XIV**  
**(Fraud -**  
**as to Plaintiff HLOSKA)**

158. Plaintiff HLOSKA repeats and realleges the allegations contained in Paragraphs 1 through 33, 35 - 38, and 40 - 51 above, as if fully set forth herein.

159. As part of their fraudulent recruiting program, Defendants engaged in a pattern and practice of knowingly and intentionally making numerous false representations of material fact, and material omissions, as noted herein, with intent to deceive and/or induce reliance by Plaintiff HLOSKA. Specifically, ARGOSY knew or should have known that it had a severe shortage nationally of Practica and Internship slots available for the number of students enrolled in that curriculum. Despite this fact, ARGOSY made numerous representations, both orally and in writing, concerning the availability of Practica and Internship slots and placement numbers solely for the purpose of enticing the Plaintiffs to enroll in its school and curriculum. Plaintiff HLOSKA did in fact justifiably rely on these misrepresentations and omissions, resulting in substantial damage to Plaintiff HLOSKA. Plaintiff HLOSKA did in fact justifiably rely on these misrepresentations and omissions, resulting in substantial damage to Plaintiff HLOSKA.

160. The representations noted herein were part of a common scheme or plan and a pattern or practice conceived and executed by Defendants, over the course of the entire statutory period and prior, through their individual employees, including without limitation, enrollment advisors and financial aid officers.

161. Defendants knew that these misrepresentations were false when made, and made them with the intent to induce Plaintiff HLOSKA to rely upon them.

162. In addition, Defendants occupied a fiduciary position as educators, and owed a heightened duty to Plaintiff HLOSKA to act in good faith and with full candor and honesty. Defendants breached these fiduciary duties and duties of good faith, candor, and disclosure by omitting to disclose material facts alleged above to Plaintiff HLOSKA, including:

- a) That ARGOSY charges some of the highest tuition rates in the country;
- b) That federal student loans are not dischargeable through bankruptcy;
- c) That a doctoral degree from ARGOSY is not nearly as marketable as similar doctorates from traditional doctoral schools;
- d) That ARGOSY students default on their student loans at a higher rate than the national average;
- e) That ARGOSY's dismissal and withdrawal rate from its doctoral program are higher than the national average for similar doctoral programs; and
- f) That students at ARGOSY are subject to arbitrary and capricious dismissal if they find themselves on Dr. Jeanne Peterson's "bad list", regardless of how well they perform academically.

163. Plaintiff HLOSKA was ignorant of the true facts and relied upon Defendants' misrepresentations in deciding to enroll at ARGOSY.

164. Accordingly, Plaintiff HLOSKA has been damaged.

165. Defendants' herein-alleged wrongful acts and omissions, and each of them, were made knowingly, willfully, intentionally, maliciously, oppressively, and were fraudulently undertaken with the express purpose and intention of defrauding Plaintiff HLOSKA, all to the substantial financial benefit of the Defendants. As a result, Plaintiff HLOSKA is entitled to punitive damages.

**WHEREFORE**, Plaintiff HLOSKA demands judgment against the Defendants for all damages due, for punitive damages, for attorney's fees and costs, and for such other and further relief as this Honorable Court deems appropriate and just.

**COUNT XV**  
**(Unjust Enrichment – as to Plaintiff GARLITZ)**

166. Plaintiff GARLITZ repeats and realleges the allegations contained in Paragraphs 1 through 15, 20, 21, 24 through 30, 33, 35 - 38, and 72 - 85 above, as if fully set forth herein.

167. Plaintiff GARLITZ has paid monies to Defendants, EDMC, ARGOSY and/or ARGOSY EDUCATION GROUP, for tuition, in exchange for which Plaintiff GARLITZ was to be provided with a reasonable opportunity to obtain a PSY D degree.

168. Because of the actions of Defendants, including but not limited to those outlined herein, Plaintiff GARLITZ was not afforded a reasonable opportunity to obtain a PSY D degree.

169. As a result, Plaintiff GARLITZ has conferred a benefit on Defendants, and Defendants had knowledge of this benefit and voluntarily accepted and retained the benefit conferred upon them.

170. Defendants will be unjustly enriched if it is allowed to retain such funds, and Plaintiff GARLITZ is entitled to an amount equal to the amount Plaintiff GARLITZ enriched Defendants and for which Defendants have been unjustly enriched.

**WHEREFORE**, Plaintiff GARLITZ demands an award against Defendants for the amounts equal to the amount Plaintiff GARLITZ enriched Defendants and for which Defendants have been unjustly enriched, and such other relief as this Court deems just and proper.

**COUNT XVI**  
**(Breach of Contract - as to Plaintiff GARLITZ)**

171. Plaintiff GARLITZ repeats and realleges the allegations contained in Paragraphs 1 through 15, 20, 21, 24 through 30, 33, 35 - 38, and 72 - 85 above, as if fully set forth herein.

172. The facts and circumstances of this case, in accord with the applicable Florida law, give rise to the existence of an implied-in-fact contract (“CONTRACT”) between Plaintiff GARLITZ and the Defendants, EDMC, ARGOSY and/or ARGOSY EDUCATION GROUP.

173. As set out with more particularity in the incorporated paragraphs, Defendants were contractually obligated to provide Plaintiff GARLITZ, with a PSY D education, which included Practica and Internship opportunities.

174. Defendants materially breached the CONTRACT by failing to provide said Practica and Internship opportunities to Plaintiff GARLITZ, causing her to be unable to receive her PYS D degree.

175. Also, Defendants, by and through the conduct or actions of their employees, including but not limited to Dr. Jeanne Peterson and Dr. Alice Bates, materially breached the CONTRACT by arbitrarily and capriciously failing Defendant GARLITZ.

176. All conditions precedent to this cause of action have occurred or have been waived.

**WHEREFORE**, Plaintiff GARLITZ demands judgment against the Defendants for all damages due under the CONTRACT, for attorney's fees and costs, and for such other and further relief as this Honorable Court deems appropriate and just.

**COUNT XVII**  
**(Breach of Implied Covenant of Good Faith and Fair Dealing -  
as to Plaintiff GARLITZ)**

177. Plaintiff GARLITZ repeats and realleges the allegations contained in Paragraphs 1 through 15, 20, 21, 24 through 30, 33, 35 - 38, and 72 - 85 above, as if fully set forth herein.

178. There is a covenant of good faith and fair dealing implied in every contract. This implied covenant requires each contracting party to refrain from doing anything to injure the right of the other to receive the benefits of the agreement.

179. Defendants, by and through the conduct or actions of their employees, including but not limited to Dr. Jeanne Peterson and Dr. Alice Bates, breached the implied covenant of good faith and fair dealing in their contract with Plaintiff GARLITZ by taking steps to interfere with her ability to receive the benefits of the education promised by Defendants.

180. As a result of Defendants' breach of the implied covenant of good faith and fair dealing, Plaintiff GARLITZ has been damaged.

**WHEREFORE**, Plaintiff GARLITZ demands judgment against the Defendants for all damages due, for attorney's fees and costs, and for such other and further relief as this Honorable Court deems appropriate and just.

**COUNT XVIII**  
**(Fraud -**  
**as to Plaintiff GARLITZ)**

181. Plaintiff GARLITZ repeats and realleges the allegations contained in Paragraphs 1 through 15, 20, 21, 24 through 30, 33, 35 - 38, and 72 - 85 above, as if fully set forth herein.

182. As part of their fraudulent recruiting program, Defendants engaged in a pattern and practice of knowingly and intentionally making numerous false representations of material fact, and material omissions, as noted herein, with intent to deceive and/or induce reliance by Plaintiff GARLITZ. Specifically, ARGOSY knew or should have known that it had a severe shortage nationally of Practica and Internship slots available for the number of students enrolled in that curriculum. Despite this fact, ARGOSY made numerous representations, both orally and in writing, concerning the availability of Practica and Internship slots and placement numbers solely for the purpose of enticing the Plaintiffs to enroll in its school and curriculum. Plaintiff GARLITZ did in fact justifiably rely on these misrepresentations and omissions, resulting in substantial damage to Plaintiff GARLITZ. Plaintiff GARLITZ did in fact justifiably rely on these misrepresentations and omissions, resulting in substantial damage to Plaintiff GARLITZ.

183. The representations noted herein were part of a common scheme or plan and a pattern or practice conceived and executed by Defendants, over the course of the entire statutory period and prior, through their individual employees, including without limitation, enrollment advisors and financial aid officers.

184. Defendants knew that these misrepresentations were false when made, and made them with the intent to induce Plaintiff GARLITZ to rely upon them.

185. In addition, Defendants occupied a fiduciary position as educators, and owed a heightened duty to Plaintiff GARLITZ to act in good faith and with full candor and honesty. Defendants breached these fiduciary duties and duties of good faith, candor, and disclosure by omitting to disclose material facts alleged above to Plaintiff GARLITZ, including:

- a) That ARGOSY charges some of the highest tuition rates in the country;
- b) That federal student loans are not dischargeable through bankruptcy;
- c) That a doctoral degree from ARGOSY is not nearly as marketable as similar doctorates from traditional doctoral schools;
- d) That ARGOSY students default on their student loans at a higher rate than the national average;
- e) That ARGOSY's dismissal and withdrawal rate from its doctoral program are higher than the national average for similar doctoral programs; and
- f) That students at ARGOSY are subject to arbitrary and capricious dismissal if they find themselves on Dr. Jeanne Peterson's "bad list", regardless of how well they perform academically.

186. Plaintiff GARLITZ was ignorant of the true facts and relied upon Defendants' misrepresentations in deciding to enroll at ARGOSY.

187. Accordingly, Plaintiff GARLITZ has been damaged.

188. Defendants' herein-alleged wrongful acts and omissions, and each of them, were made knowingly, willfully, intentionally, maliciously, oppressively, and were fraudulently undertaken with the express purpose and intention of defrauding Plaintiff GARLITZ, all to the substantial financial benefit of the Defendants. As a result, Plaintiff GARLITZ is entitled to punitive damages.

**WHEREFORE**, Plaintiff GARLITZ demands judgment against the Defendants for all damages due, for punitive damages, for attorney's fees and costs, and for such other and further relief as this Honorable Court deems appropriate and just.

**JURY DEMAND**

**WHEREFORE**, the Plaintiffs demand judgment against the Defendants, EDUCATION MANAGEMENT CORPORATION, a foreign corporation; EDUCATION MANAGEMENT, LLC., a wholly-owned subsidiary of EDUCATION MANAGEMENT CORPORATION; ARGOSY EDUCATION GROUP, INC., a wholly-owned subsidiary of EDUCATION MANAGEMENT CORPORATION, doing business as ARGOSY UNIVERSITY TAMPA; and ARGOSY UNIVERSITY OF FLORIDA, INC., for all damages provided by law, and further demands trial by jury.

Dated this \_\_\_\_ day of April, 2012.

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