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SAN DIEGO COUNTY, CA

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8 SUPERIOR COURT FOR THE STATE OF CALIFORNIA

9 FOR THE COUNTY OF SAN DIEGO

11 ANNA ALABURDA, an individual, on behalf
of herself and all others similarly situated,

12 Plaintiffs,

13 v.

14 THOMAS JEFFERSON SCHOOL OF LAW,
15 and DOES 1 through 100,

16 Defendants.

CASE NO. 37-2011-00091898-CU-FR-CTL

[Assigned to the Honorable Joel M. Pressman,
Dept. 64]

**THIRD AMENDED COMPLAINT
FOR:**

- (1) UNFAIR BUSINESS PRACTICES
(BUS. & PROF. CODE § 17200 ET
SEQ.);
- (2) VIOLATION OF THE FALSE
ADVERTISING ACT (BUS. &
PROF. CODE § 17500 ET SEQ.);
- (3) INTENTIONAL FRAUD
- (4) NEGLIGENT
MISREPRESENTATION
- (5) VIOLATIONS OF THE
CONSUMER LEGAL REMEDIES
ACT (CIVIL CODE § 1750 ET
SEQ.)

DEMAND FOR JURY TRIAL

NATURE OF THE ACTION

1
2 1. This dispute arises out of the fraudulent and deceptive business practices of
3 Defendant Thomas Jefferson School of Law (“TJSL”). For more than 15 years, TJSL has churned
4 out law school graduates, many of whom have little or no hope of working as attorneys at any point
5 in their careers.

6 2. TJSL’s average student indebtedness, more than \$135,000, is among the highest in
7 the nation. And its bar passage is consistently lower than 50 percent, well below the average in
8 California.

9 3. In order to attract students despite these dismal figures, TJSL has adopted a practice
10 of misrepresenting its post-graduation employment statistics. For instance, during a deep economic
11 recession affecting the legal industry on a widespread basis, TJSL reports that the median salary of
12 its graduates has remained constant between 2006 and 2011 (even though the average salary of
13 attorneys nationwide has seen a dramatic decline in recent years).

14 4. Moreover, TJSL misleads students by advertising post-graduation employment rates
15 that typically exceed 70 percent, and that topped 90 percent in 2010. TJSL, though, conceals the fact
16 that these figures include part time employment, as well as non law-related positions (i.e., a TJSL
17 student will be considered employed after graduation if he works as a part time waiter or
18 convenience store clerk). Prospective students are led to believe they will be hired as full time
19 professionals in the legal industry when they graduate, even though that is frequently not the case.

20 5. Furthermore, TJSL also misleads students by concealing the fact that these post-
21 graduate employment figures are based on a small sample of graduating students rather than the
22 entire class of graduates. Specifically, TJSL conceals the fact that its statistics are based on surveys
23 and questionnaires that are sent to only a fraction of its graduates. Not all graduates receive surveys
24 or questionnaires. And among those graduates who do receive questionnaires or surveys, only a
25 fraction of them complete and return those forms to TJSL. Similarly, the median salary figures
26 reflect only those students who decide to self-report, thereby providing figures that are inflated and
27 inaccurate. Thus, the statistics provided by TJSL are designed to mislead prospective students into
28 believing they reflect the entire graduating class when, in fact, they represent only a fraction of the

1 relevant data set. The statistics are deliberately presented in a manner that is designed to deceive
2 prospective students.

3 6. There is no reason for TJSL to present a figure concerning the percentage of
4 graduates who are employed *in any position* (including part time and non law-related positions)
5 other than to mislead prospective students.

6 7. TJSL knows that these statistics are widely reported by U.S. News & World Report's
7 "Best Graduate Schools" annual edition, which is reviewed by the bulk of prospective law school
8 students and is considered to be the authority on law school rankings. TJSL also reports these
9 misleading figures in one form or another on its website and in its marketing brochures.

10 8. Plaintiff Anna Alaburda ("Plaintiff") graduated from TJSL in 2008 with more than
11 \$150,000 in student loan debt. Plaintiff would not have attended TJSL and incurred more than
12 \$150,000 in school loans if she knew the truth about her job prospects upon graduation.

13 9. At the end of the day, TJSL is more concerned with raking in millions of dollars in
14 tuition and fees than educating and training its students. The disservice TJSL is doing to its students
15 and society generally is readily apparent. Many TJSL graduates will never be offered work as
16 attorneys or otherwise be in a position to profit from their law school education. And they will be
17 forced to repay hundreds of thousands of dollars in school loans that are nearly impossible to
18 discharge, even in bankruptcy.

19 10. This lawsuit seeks damages and restitution exceeding \$50,000,000 and injunctive
20 relief stemming from TJSL's fraudulent and unlawful conduct.

21 PARTIES AND JURISDICTION

22 11. As used herein, the term "Plaintiff" includes Anna Alaburda, who is the named
23 Plaintiff Class Representative.

24 12. The term "the Class" includes Plaintiff and all class members.

25 13. Plaintiff is an individual residing in California. Each of the other members of the
26 Class is an individual.

27 14. TJSL is a privately-held educational institution with its principal place of business in
28 San Diego, California.

1 15. The jurisdiction and venue of this action within the Superior Court of the State of
2 California for the County of San Diego is proper because the causes of action alleged herein, and
3 many of the activities and conduct giving rise to the ensuing causes of action, substantially occurred
4 in San Diego County, California.

5 16. The Plaintiff and the Class are all identifiable, similarly situated persons who are or
6 were law students at TJSL.

7 17. Plaintiffs are ignorant of the true names, capacities, relationships and extent of
8 participation in the conduct herein alleged, of the Defendants sued herein as DOES 1 through 100,
9 inclusive, but on information and belief allege that said Defendants are legally responsible to
10 reimburse Plaintiff and the Class for expenditures or losses they incurred and therefore sue the
11 Defendants by such fictitious names. Plaintiff will amend this complaint to allege the true names
12 and capacities of the DOE Defendants when ascertained.

FACTUAL BACKGROUND

Thomas Jefferson School of Law

13
14
15 18. TJSL is a private institution that was established in 1995. It was granted ABA
16 accreditation six years later, in August 2001. TJSL enrolls more than 680 full time students and
17 approximately 270 part time students annually.

18 19. Tuition at TJSL for the 2010-2011 academic year is \$38,700, and room and board is
19 \$27,740, bringing the total cost for the academic year to \$66,440 (just shy of \$200,000 for three
20 years). The total amount of money TJSL receives in tuition each year and/or provides in
21 scholarships is not known at this time. However, if all students enrolled at TJSL paid full tuition in
22 2011, TJSL would receive more than \$34 million for the 2010-2011 academic year.

23 20. Despite one of the worst recessions in the legal industry in recent history, TJSL's
24 purported median salary figures have remained nearly constant over the last five years (it is unclear
25 at this time whether these figures are falsified or whether they are simply misleading because so few
26 TJSL graduates actually work in the legal industry). And enrollment has actually increased
27 substantially despite fewer available jobs, from 580 full time students in 2007-2008 to 687 students
28 in 2010-2011. Indeed, TJSL currently accepts almost twice as many students in order to fill its seats

1 than it did five years ago—its acceptance rate in 2007 was 24.1 percent, and in 2010-2011 TJSL
2 accepted 49 percent of its applicants. TJSL is taking on more students every year in order to line its
3 own pockets, without regard to whether those students will benefit in any way from their law school
4 education or otherwise have an opportunity to work as attorneys.

5 21. On January 8, 2011, the New York Times published an article entitled “Is Law
6 School A Losing Game?” by David Segal. The article reported that TJSL leads the nation’s law
7 schools with 95 percent of students graduating with debt.¹

8 22. TJSL attracts students by making grandiose representations about the campus and
9 local community like: “San Diego is not only paradise, but offers unmatched legal and economic
10 opportunities in addition to its cultural and recreational advantages”; and “we offer unique,
11 innovative academic success programs and our campus is among the most technologically advanced
12 in the world.” These claims are a deliberate effort to distract attention from TJSL’s bleak academic
13 and employment statistics.

14 **Thomas Jefferson School of Law Grows While The Market for Attorneys Shrinks**

15 23. Notwithstanding the economic recession that has crippled the job market for lawyers
16 in the past years, TJSL has embarked on a campaign to expand its student body. Within the last
17 three years (in the middle of the recession), TJSL increased its enrollment by 17 percent, with more
18 than 680 students enrolled in 2011 (up from 580 students in 2008).

19 24. In fact, in January 2011, TJSL opened its new campus, located in Downtown San
20 Diego. TJSL advertises its 305,000 square foot campus as including an eight story state-of-the art
21 building, 12 classrooms, two recording studios, a student lounge and a “sophisticatedly designed”
22 moot court room.

23 **U.S. News & World Report’s “Best Graduate Schools”**

24 25. U.S. News & World Report’s “Best Graduate Schools” edition is the nation’s leading
25 publication concerning law school rankings. U.S. News & World Report advertises its annual
26 publication as containing “Exclusive Rankings” and it purports to be a “#1 Bestseller.” It is

27 ¹ David Segal, *Is Law School a Losing Game*, N.Y. TIMES, Jan. 8, 2011,
28 <http://www.nytimes.com/2011/01/09/business/09law.html>.

1 marketed to students interested in “finding the right school” and determining “where the jobs are.”

2 26. It has been reported that “unlike other graduate programs, like those for business or
3 medicine, U.S. News’ list offers the only comprehensive look at law schools.”² Law Schools ignore
4 the U.S. News & World Report ranking at their own peril: “Any school that dares to ignore the [U.S.
5 News & World Report] rankings risks a death spiral of rapidly departing employers, students and
6 faculty, leading to lower ranking and even more problems.”³

7 27. On information and belief, U.S. News & World Report obtains its information by
8 sending surveys directly to the law schools, as well as from figures provided by the ABA and the
9 National Association for Law Placement (“NALP”). On information and belief, TJSJL provides false
10 and inaccurate information directly to U.S. News & World Report with the understanding that the
11 false and inaccurate information will be disseminated to the public.

12 **Thomas Jefferson School of Law’s Employment Statistics**

13 28. U.S. News & World Report includes statistics in each of their “Best Graduate
14 School” publications regarding the number of students “employed nine months after graduation.”
15 This figure—along with other statistics that purportedly reflect “placement success”—accounts for
16 20 percent of a law school’s ranking in U.S. News & World Report.

17 29. The figures reported in U.S. News & World Report concerning students “employed
18 nine months after graduation” are false and misleading. In 2006-2007, TJSJL reported that 82.9
19 percent of their graduates were “employed nine months after graduation”; and in the 2011 issue, in
20 the midst of a deep recession in the legal industry, that figure was reported to be 92.1 percent. TJSJL
21 has an incentive to misreport its post-graduation employment statistics because inflated figures will
22 result in a higher overall ranking in U.S. News & World Report.

23 30. TJSJL provides these statistics to U.S. News & World Report each year knowing that
24 they will be published and knowing that they are false and misleading. Specifically, these figures

25 ² Sandra Randazzo, *UC Hastings Reveals Rankings Tactics*, LA DAILY JOURNAL, Jan. 5,
26 2011.

27 ³ Daniel J. H. Greenwood, *Market Irrationality in the Law School ‘Arms Race’*, HUFFINGTON
28 POST (May 6, 2011), http://www.huffingtonpost.com/daniel-j-h-greenwood/market-irrationality-in-t_b_856400.html.

1 suggest that 82.9 percent of graduates were employed in full time, law-related positions in the 2005-
2 2006 academic year; and that 92.1 percent of graduates worked in full time, law-related positions in
3 2009-2010. In fact, the foregoing figures include part time employment, as well as non-law-related
4 employment. In other words, if graduates accept part time employment working as a waiter or a
5 clerk at a convenience store, they are considered to be “employed nine months after graduation.”
6 These figures are particularly misleading in light of the fact that 25 percent of graduates from law
7 schools nationwide in 2009 said their jobs were temporary.⁴

8 31. Each year, TJSL provides statistical information to U.S. News & World Report
9 knowing that the information is false and misleading. TJSL benefits from these misrepresentations,
10 as students agree to pay exorbitant fees after they are led to believe they will receive lucrative offers
11 to work at law firms when they graduate (when that is clearly not the case for most TJSL students).

12 **Anna Alaburda, Graduate of TJSL**

13 32. In 2002, Plaintiff graduated with a bachelor’s degree from New York University, one
14 of the top undergraduate universities in the country.

15 33. After reviewing the 2003 edition of U.S. News & World Report “Best Graduate
16 Schools,” among others, as well as TJSL’s marketing brochures and website, she decided to enroll at
17 TJSL. Plaintiff relied on representations made by TJSL concerning its post-graduation employment
18 rates, including a representation made in the 2003 edition of U.S. News & World Report “Best
19 Graduate Schools,” indicating that 80.1 percent of students were “employed nine months after
20 graduation.” Plaintiff reasonably interpreted these figures to mean that the vast majority of TJSL
21 graduates would find employment as full time attorneys.

22 34. Plaintiff passed the bar examination on her first attempt.

23 35. Plaintiff graduated from TJSL in 2008 with more than \$150,000 in school loans,
24 some of which require repayment at interest rates exceeding eight percent.

25 **CLASS ACTION ALLEGATIONS**

26 36. Plaintiff brings this action on behalf of herself and all others similarly situated as a
27

28 ⁴ Segal, *supra* note 1.

1 class action pursuant to section 382 of the Code of Civil Procedure. Plaintiff seeks to represent a
2 class composed of and defined as follows:

3 All persons who attended TJSL within the statutory period who are currently California
4 residents.

5 37. Plaintiff reserves the right under Rule 3.674, California Rules of Court, to amend or
6 modify the class description with greater specificity or further division into subclasses or limitation
7 to particular issues.

8 38. This action has been brought and may properly be maintained as a class action under
9 the provisions of section 382 of the Code of Civil Procedure because there is a well-defined
10 community of interest in the litigation and the proposed Class is easily ascertainable.

11 A. **Numerosity**

12 39. The potential members of the Class as defined are so numerous that joinder of all of
13 the members of the Class is impracticable. The precise number of Class Members has not been
14 determined at this time, but is believed to be in excess of 2,300 individuals.

15 40. Upon information and belief, Plaintiff alleges Defendant's internal records will
16 provide information as to the number and location of all Class Members. Joinder of all members of
17 the proposed Class is not practicable.

18 B. **Commonality**

19 41. Plaintiff's claims are typical of claims of the Class in that:

- 20 (a) Plaintiff was enrolled in law school at TJSL;
- 21 (b) Plaintiff was induced to enroll at TJSL by uniform affirmative
22 misrepresentations and acts of concealment concerning TJSL's post-
23 graduation employment rates;
- 24 (c) Plaintiff and the Class Members were damaged by the same wrongful conduct
25 of TJSL; and
- 26 (d) The relief sought is common to the Class.

27 42. Questions of law and fact common to the Class that predominate over any questions
28 affecting only individual Class Members. These common questions of law and fact include, among

1 others:

- 2 (a) Whether TJSL misrepresented material information to Plaintiff and the Class;
- 3 (b) Whether TJSL had a duty to disclose and failed to disclose material facts to
- 4 Plaintiff and the Class;
- 5 (c) Whether TJSL violated section 17200 et seq. of the Business and Professions
- 6 Code, by engaging in unlawful business practices;
- 7 (d) Whether TJSL engaged in deceptive and/or false marketing practices and
- 8 advertising in violation of section 17500 et seq. of the Business and
- 9 Professions Code;
- 10 (e) Whether Class-wide damages, declaratory and/or injunctive relief is
- 11 appropriate and, if so, the proper measure of damages, declaratory and/or
- 12 injunctive relief; and
- 13 (f) Whether Plaintiff and the Class are entitled to equitable relief pursuant to
- 14 Business and Professions Code section 17200 et seq.

15 These questions of law or fact are common to the Class and predominate over any other

16 questions affecting only individual Class Members.

17 43. Plaintiff will fairly and adequately represent the interests of the Class in that:

- 18 (a) Plaintiff is a typical former student of a law degree program offered by TJSL;
- 19 (b) Plaintiff was induced to enroll in a law degree program offered by TJSL
- 20 through deceptive marketing and/or unfair business practices; and
- 21 (c) Plaintiff has no conflicts with any other member of the Class.

22 44. Plaintiff has retained competent counsel experienced in class action litigation.

23 45. A class is superior to the alternatives, if any, for the fair and efficient adjudication of

24 this controversy.

25 46. Prosecution of separate actions by individual members of the Class would create the

26 risk of inconsistent or varying adjudications, establishing incompatible standards of conduct for

27 TJSL.

28 47. Injunctive relief is appropriate as to the Class as a whole because TJSL has acted or

1 refused to act on grounds generally applicable to the Classes.

2 **FIRST CAUSE OF ACTION**

3 **(Against TJSL for Violation of Business & Professions Code § 17200 et seq.)**

4 48. Plaintiff incorporates by reference each and every previous and subsequent paragraph
5 as though set forth fully herein.

6 49. The Unfair Competition Law (“UCL”) prohibits “unfair competition,” which is
7 defined by Business and Professions Code section 17200 as including “any unlawful, unfair or
8 fraudulent business act or practice. . . .” The UCL also provides for injunctive relief and restitution
9 for violations.

10 50. The material misrepresentations and acts of concealment by TJSL are unlawful,
11 unfair and fraudulent business practices prohibited by the UCL.

12 51. The harm to Plaintiff and the Class outweighs the utility of TJSL’s practices.

13 52. TJSL’s deceptive conduct has misled the public in the past and will continue to
14 mislead the public in the future. TJSL’s practices constitute a fraudulent business practice within the
15 meaning of the UCL.

16 53. As a direct and proximate result of the acts and practices alleged above, Plaintiff and
17 members of the Class and the general public who enrolled in TJSL have been injured.

18 54. TJSL’s unlawful, fraudulent and unfair business practices, as described above,
19 present a continuing threat to members of the Class and of the general public, in that TJSL is
20 continuing, and will continue, unless enjoined, to commit violations of Business and Professions
21 Code section 17200 et seq.

22 55. Under this cause of action and pursuant to Business and Professions Code section
23 17200 et seq., Plaintiff and members of the Class seek restitution and are entitled to restitution in an
24 amount according to proof, as well as preliminary and permanent injunctive relief against TJSL’s
25 acts and practices. Plaintiff further seeks reimbursement of her attorney’s fees pursuant to Civil
26 Procedure Code section 1021.5.

SECOND CAUSE OF ACTION

(Against TJSL for Violation of Business & Professions Code § 17500 et seq.)

1
2
3 56. Plaintiff incorporates by reference each and every previous and subsequent paragraph
4 as though set forth fully herein.

5 57. The False Advertising Act makes it unlawful to “make or disseminate or cause to be
6 made or disseminated before the public [a statement] which is untrue or misleading, and which is
7 known, or which by the exercise of reasonable care should be known, to be untrue or misleading”
8 with the intent to “induce the public to enter into any obligation relating thereto.” Such statements
9 include statements made through “any advertising device,” including “over the Internet.”

10 58. Under Business & Professions Code section 17500 et seq., Plaintiff is entitled to
11 enjoy TJSL’s wrongful practices and to obtain restitution for the monies paid to TJSL by reason of
12 TJSL’s unlawful, unfair, and/or deceptive acts and practices.

13 59. TJSL violated Business & Professions Code section 17500 et seq. by making or
14 disseminating, or causing to be made or disseminated, false and misleading statements in U.S. News
15 & World Report’s “Best Graduate Schools” publication, on its website, and in its marketing
16 brochures.

17 60. These misleading statements concerned post-graduation employment statistics,
18 among others. These false and misleading statements were made with the intent to induce the
19 general public, including Plaintiff and the Class, to enroll at TJSL.

20 61. Plaintiff and the Classes did in fact rely on these false and misleading statements
21 when deciding to enroll in TJSL. These false and misleading statements would and did mislead
22 members of the public.

23 62. As a direct and proximate result of the acts and practices alleged above, members of
24 the Class and the general public who enrolled in and/or attended classes at TJSL have been injured.
25 This Court is empowered to, and should, order restitution to all persons from whom TJSL unfairly
26 and/or unlawfully took money.

27 63. TJSL’s unlawful, false and misleading advertising, as described above, presents a
28 continuing threat to members of the Class and the general public, in that TJSL is continuing, and will

1 continue, unless enjoined, to commit violations of Business & Professions Code section 17500 et
2 seq. This Court is empowered to, and should, grant preliminary and permanent injunctive relief
3 against such acts and practices. Plaintiff further seeks reimbursement of her attorney's fees pursuant
4 to Civil Procedure Code section 1021.5.

5 THIRD CAUSE OF ACTION

6 **(Against TJSL for Fraud)**

7 64. Plaintiff incorporates by reference each and every previous and subsequent paragraph
8 as though set forth fully herein.

9 65. As part of its fraudulent marketing program, TJSL engaged in a pattern and practice
10 of knowingly and intentionally making numerous false representations of material fact, and material
11 omissions, with the intent to deceive and/or induce reliance by Plaintiff and the Class.

12 66. Plaintiff and the Class did in fact justifiably rely on these misrepresentations and
13 omissions, resulting in substantial damage to Plaintiff and the Class. Specifically, Plaintiff reviewed
14 and relied on the post-graduation employment statistics reflected in the 2003 U.S. News & World
15 Report "Best Graduate Schools" edition, among others, before deciding to enroll at TJSL. Plaintiff
16 relied on subsequent editions of U.S. News & World Report "Best Graduate Schools" in deciding to
17 continue with her studies at TJSL.

18 67. TJSL induced Plaintiff and the Class to enroll at TJSL by making one or more, or in
19 many cases all, of the following false and fraudulent misrepresentations of fact to Plaintiff and the
20 Class:

- 21 (a) that between 72 and 92 percent of TJSL graduates would find work as full
22 time attorneys; and
23 (b) that between 72 and 92 percent of TJSL graduates would find work in the
24 legal industry.

25 68. TJSL also induced Plaintiff and the Class to enroll by making the following uniform
26 false and fraudulent misrepresentations regarding its employment statistics to U.S. World News &
27 Report, knowing that U.S. World News & Report would repeat the false and misleading information
28 and that Plaintiff and the Class would rely on and act on it:

- 1 (a) in the 2003 edition of U.S. World News & Report, 80.1 percent of TJSL
2 students were employed within nine months of graduation;
- 3 (b) in the 2004 edition of U.S. World News & Report, 80.1 percent of TJSL
4 students were employed within nine months of graduation;
- 5 (c) in the 2005 edition of U.S. World News & Report, 56.4 percent of TJSL
6 students were employed within nine months of graduation;
- 7 (d) in the 2006 edition of U.S. World News & Report, 77.0 percent of TJSL
8 students were employed within nine months of graduation;
- 9 (e) in the 2007 edition of U.S. World News & Report, 82.9 percent of TJSL
10 students were employed within nine months of graduation;
- 11 (f) in the 2008 edition of U.S. World News & Report, 64.7 percent of TJSL
12 students were employed within nine months of graduation;
- 13 (g) in the 2009 edition of U.S. World News & Report, 80.0 percent of TJSL
14 students were employed within nine months of graduation;
- 15 (h) in the 2010 edition of U.S. World News & Report, 86.7 percent of TJSL
16 students were employed within nine months of graduation;
- 17 (i) in the 2011 edition of U.S. World News & Report, 92.1 percent of TJSL
18 students were employed within nine months of graduation; and
- 19 (j) in the 2012 edition of U.S. World News & Report, 72.7 percent of TJSL
20 students were employed within nine months of graduation.

21 69. The foregoing statistics are false and misleading. TJSL conceals the fact that these
22 post-graduate employment figures are based on a small sample of graduating students rather than the
23 entire class of graduates. Specifically, TJSL conceals the fact that its statistics are based on surveys
24 and questionnaires that are sent to only a fraction of its graduates—not all graduates receive surveys
25 or questionnaires. And among those graduates who do receive questionnaires or surveys, only a
26 fraction of them complete and return those forms to TJSL. Indeed, this method of reporting is
27 designed to overstate the percentage of students who are employed nine-months after graduation—
28 students who actually receive surveys or questionnaires and who ultimately decide to complete and

1 return them are more likely to be employed in the first instance.

2 70. Similarly, the median salary figures reflect only those students who decide to self-
3 report, thereby providing figures that are inflated and inaccurate. For instance, in the most recent
4 edition of U.S. News & World Report, TJSL reported a median salary figure of \$50,000-\$80,000.
5 The figure reported in U.S. News & World Report is based on information supplied by TJSL. TJSL,
6 in turn, receives its salary data from students who decide to self-report that information. In
7 providing this salary information to U.S. News & World Report, TJSL conceals the number of
8 students who self-reported salary information. And TJSL conceals the fact that many of students do
9 not even receive a salary survey or questionnaire in the first instance. Thus, the median salary figure
10 is grossly misleading and inaccurate—it is designed to present an inflated median salary figure.

11 71. The statistics provided by TJSL are designed to mislead prospective students into
12 believing they reflect the entire graduating class when, in fact, they represent only a fraction of the
13 relevant data set. TJSL knows that these figures are false and misleading. Nevertheless, TJSL has
14 decided to continue using this methodology because it presents a more favorable picture of the law
15 school's employment figures.

16 72. Plaintiff reasonably relied on the 2003 edition of U.S. News & World Report "Best
17 Graduate Schools," among others, in deciding whether to enroll at TJSL.

18 73. In addition, Plaintiff and the Class have reasonably relied on consumer information
19 located on TJSL's school website, including, but not limited to the following representation made by
20 TJSL:

- 21 (a) 86.4 percent of law students from TJSL's Class of 2008 are employed;
- 22 (b) 84.7 percent of law students from TJSL's Class of 2009 are employed; and
- 23 (c) Although TJSL's website currently contains information for 2008 and 2009
24 exclusively, the website contained similarly false and inaccurate information
25 in previous years as well.

26 74. Plaintiff continued to rely on subsequent editions of U.S. News & World Report
27 "Best Graduate Schools" in deciding to continue with her studies at TJSL, including those specified
28 in Paragraph 83, above.

1 75. The foregoing statistics were false, misleading, and intentionally designed to deceive
2 all who read them.

3 76. The representations set forth above were part of a common scheme or plan and a
4 pattern or practice conceived and executed by TJSL over the course of the entire statutory period.

5 77. TJSL knew that these misrepresentations were false when made, and made them with
6 the intent to induce Plaintiffs and the Class to rely upon them.

7 78. In addition, TJSL occupied a fiduciary position as educators, and owed a heightened
8 duty to Plaintiffs and the Class to act in good faith and with full candor and honesty. Plaintiff is also
9 informed and believes that many of the staff and faculty members of TJSL are attorneys and/or
10 members of the California State Bar and therefore have ethical responsibilities to the students at
11 TJSL. TJSL breached these fiduciary duties and duties of good faith, candor, and disclosure by
12 omitting to disclose material facts alleged above to Plaintiff and the Class.

13 79. Plaintiff and the Class were, at all relevant times, ignorant of the true facts. Plaintiff
14 and the Class only discovered that TJSL had a policy and practice of misrepresenting its post-
15 graduation employment statistics on or after January 2011 when the New York Times published an
16 article disclosing TJSL's fraudulent practices.

17 80. Accordingly, Plaintiff and each member of the Class have been damaged. Plaintiff
18 would not have enrolled at TJSL—and consequently would not have incurred \$150,000 in school
19 loans—but for TJSL's false and misleading statements. Plaintiff has been damaged in the amount of
20 at least \$150,000. The Class has been damaged in an amount that exceeds \$50,000,000, which
21 represents tuition and other fees that were paid in reliance on TJSL's false and misleading
22 statements.

23 81. TJSL's herein-alleged wrongful acts and omissions, and each of them, were
24 knowingly, willfully, intentionally, maliciously, oppressively, and fraudulently undertaken with the
25 express purpose and intention of defrauding Plaintiff and the Class, and each of them, all to the
26 substantial financial benefit of TJSL. As a result, Plaintiff and the Classes are entitled to punitive
27 damages.
28

FOURTH CAUSE OF ACTION

(Against TJSL for Negligent Misrepresentation)

82. Plaintiff incorporates each and every previous and subsequent paragraph as though set forth fully herein.

83. TJSL made uniform and identical material written representations regarding students' post-graduation employment rates. TJSL also omitted to disclose the material facts alleged herein. When TJSL made these representations and omissions, TJSL had no reasonable grounds for believing them to be true.

84. The duty to disclose material information arises when parties make partial disclosures that are likely to mislead because they omit other material facts. Because TJSL disclosed its post-graduate employment figures, it had a duty to disclose all material information surrounding those figures so that prospective candidates could have an accurate picture of their employment prospects.

85. TJSL presented half-truths to the public, including prospective students. The material information regarding these statistics that TJSL failed to disclose was not accessible to the students.

86. Plaintiff and each member of the Class relied on these negligent representations before enrolling at TJSL and relied on these misrepresentations in deciding to so enroll.

87. At the time TJSL made the misrepresentations discussed above, Plaintiff and the members of the Class were ignorant of the true facts. Had they known the true facts, Plaintiff and the members of the Class would not have enrolled at TJSL.

88. As a proximate result of TJSL's negligent conduct, Plaintiff and members of the Class have been damaged in an amount in excess of this Court's jurisdiction, the exact amount to be proven at trial.

FIFTH CAUSE OF ACTION

(Against TJSL for Violation of the Consumer Legal Remedies Act)

89. Plaintiff incorporates by reference each and every previous and subsequent paragraph as though set forth fully herein.

90. Under California Civil Code section 1750 et seq., Plaintiff is entitled to enjoin TJSL's

1 wrongful practices by reason of TJSL's unlawful, unfair, and/or deceptive acts and practices.

2 91. The Consumer Legal Remedies Act prohibits unfair methods of competition and
3 unfair or deceptive acts or practices undertaken by any person in a transaction intended to result or
4 which results in the sale of goods and services.

5 92. TJSL violated the Consumer Legal Remedies Act by misrepresenting to Plaintiff and
6 members of the Class TJSL's post-graduation employment rates.

7 93. TJSL's unlawful and unfair business acts and practices, and unfair, deceptive, untrue,
8 and misleading advertising, as described above, present a continuing threat to Plaintiff, members of
9 the Class and members of the general public, in that TJSL continues to mislead prospective students
10 into enrolling in law school in violation of the Consumer Legal Remedies Act. This Court is
11 empowered to, and should, grant preliminary and permanent injunctive relief against such acts and
12 practices.

13 94. By reason of the above-described violations of the Consumer Legal Remedies Act,
14 Plaintiff and each member of the Class has suffered damages in an amount to be proven at trial.

15 95. On June 14, 2011, Plaintiff and the Class provided written notice, as required by Civil
16 Code section 1782, to TJSL regarding the above-described violations of the Consumer Legal
17 Remedies Act. By this notice, Plaintiff and the Class demanded that TJSL remedy the above-
18 referenced violations within 30 days from receipt of written notice.

19 96. TJSL failed to cure the above-referenced violations after receiving written notice.

20 PRAYER FOR RELIEF

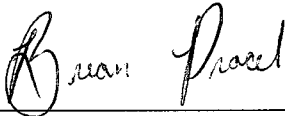
21 WHEREFORE, Plaintiff and the Class pray for judgment against TJSL and the DOES 1-100
22 as follows:

- 23 1. For compensatory damages in an amount to be proven at trial, but believed to be in
24 excess of \$50,000,000;
- 25 2. For restitution in an amount to be proven at trial, but believed to be in excess of
26 \$50,000,000;
- 27 3. For disgorgement of all profits obtained by TJSL as a result of its unfair and
28 fraudulent business practices;

- 1 4. For punitive damages;
- 2 5. For injunctive relief enjoining, preliminarily and permanently, TJSL from continuing
- 3 the unlawful conduct alleged herein;
- 4 6. For attorney's fees and costs of suit herein incurred pursuant Code of Civil Procedure
- 5 section 1021.5;
- 6 7. For prejudgment interest pursuant to section 3287 of the Civil Code; and
- 7 8. For such other and further relief as the Court may deem proper.

8 DATED: September 15, 2011

MILLER BARONDESS, LLP

9
10 By: 
11 Brian Procel
12 Attorneys for Plaintiff
13 Anna Alaburda

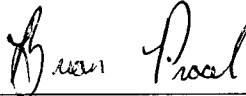
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DEMAND FOR JURY TRIAL

By its undersigned attorney, Plaintiff hereby demands trial by jury.

DATED: Setpember 15, 2011

MILLER BARONDESS, LLP

By: 

Brian Procel
Attorneys for Plaintiff
Anna Alaburda

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PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California; I am over the age of 18 and not a party to the within action; my business address is 1999 Avenue of The Stars, Suite 1000, Los Angeles, California 90067.

On **September 15, 2011**, I served the original a true copy of the within document(s) described as **THIRD AMENDED COMPLAINT** on all interested parties in this action:

SEE ATTACHED SERVICE LIST

- PERSONAL DELIVERY:** I caused such envelope to be delivered by hand to the offices of the above named addressee(s).
- BY MAIL:** I am readily familiar with the business practice for collection and processing of correspondence for mailing with the United States Postal Service. This correspondence shall be deposited with the United States Postal Service this same day in the ordinary course of business at our Firm's office address in Los Angeles, California. Service made pursuant to this paragraph, upon motion of a party served, shall be presumed invalid if the postal cancellation date of postage meter date on the envelope is more than one day after the date of deposit for mailing contained in this affidavit.
- BY OVERNIGHT DELIVERY SERVICE:** I served the foregoing document by FedEx, an express service carrier which provides overnight delivery, as follows. I placed true copies of the foregoing document in sealed envelopes or packages designated by the express service carrier, addressed to each interested party as set forth above, with fees for overnight delivery paid or provided for.
- BY FACSIMILE:** I caused such envelope to be delivered via facsimile to the offices of the addressee(s) at the facsimile numbers listed herein. I certify that said transmission was completed and that all pages were received and that a report was generated by the facsimile machine which confirms said transmission and receipt.
- BY ELECTRONIC MAIL:** by transmitting via electronic mail a true copy of the above listed document(s) to the email addresses set forth herein on this date before 5:00 p.m.
- (State)** I declare under penalty of perjury under the laws of the State of California that the above is true and correct.
- (Federal)** I declare that I am employed in the office of a member of the State Bar of this Court at whose direction the service was made.

Executed on **September 15, 2011**, at Los Angeles, California.



Adriana Preciado
Type or Print Name

Signature

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