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and on behalf of all others similarly situated

9
10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
11 **COUNTY OF LOS ANGELES, CENTRAL DISTRICT**
12

13 ARTHUR BAGDASARYAN, on behalf of
14 himself and all others similarly situated,

15
16 Plaintiffs,

17 vs.

18
19 WOODBURY UNIVERSITY, a California
20 corporation; and DOES 1 through 100 inclusive,

21 Defendant.
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CONFORMED COPY
ORIGINAL FILED
Superior Court of California
County of Los Angeles

JUL 06 2020

Sheri R. Carter, Executive Officer/Clerk of Court

By: Kristina Vargas, Deputy

Case No.: **20STCV25666**

CLASS ACTION COMPLAINT FOR:

- (1) BREACH OF CONTRACT;
- (2) UNJUST ENRICHMENT;
- (3) CONVERSION;
- (4) VIOLATION OF CALIFORNIA'S
UNFAIR COMPETITION LAW ("UCL"),
BUSINESS AND PROFESSIONS CODE
§§ 17200, *et seq.*;

DEMAND FOR JURY TRIAL

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1 Plaintiff Arthur Bagdasaryan (“Plaintiff”), on behalf of himself and all others similarly situated
2 (“the Class”), by and through his attorneys, Shegerian & Associates, Inc., hereby files this Class Action
3 Complaint against Defendant Woodbury University, a California corporation, and DOES 1-100
4 (“Defendants”), and states as follows:

5 I. NATURE OF THE ACTION

6 1. This is a class action for breach of contract, unjust enrichment, conversion, and violation of
7 the California’s Unfair Competition Law (“UCL”) brought by Plaintiff on behalf of himself and all others
8 similarly situated, that is, all students enrolled at Defendants’ educational institution. Defendants have
9 shut down all of its campus facilities, discontinued all live in-classroom instruction of all courses at any
10 of Defendants’ campuses and schools, and instead moved all instruction to virtual online pre-recorded
11 and/or live streaming video instruction. While these actions are attributable to the COVID-19 pandemic
12 and the shelter-in-place order in effect in the State of California, Defendants have continued holding
13 Plaintiff and all students liable for the full pre-shutdown tuition and fee obligations, despite the fact that
14 Defendants are unable to provide, and are not providing, the services and facilities that the students
15 bargained for and are being billed for as part of their tuition and fees—fees and tuition costs that easily
16 amount to thousands of dollars per student but less than \$75,000 each at this time.

17 2. While Defendants may not bear culpability for the campus closures or the inability to provide
18 any classroom instruction, neither do the enrolled students. Yet, while Defendants have used the current
19 COVID-19 shutdown circumstances to excuse its duty to perform fully the obligations of its bargain with
20 its students, Defendants continues to demand that all students fully perform their contractual bargain to
21 pay in full all tuition and fees without any reduction for Defendants’ lack of full performance. This is
22 contrary to ordinary tenets of contract law. This indefensible breach is saddling wholly innocent students
23 with mounting debt as a result of having to pay tuition and fees for services they are not receiving and
24 facilities that are not being provided. In so acting, Defendants are unjustly enriching themselves at the
25 expense of Plaintiff and class members he seeks to represent.

26 3. California law recognizes the proposition that the relationship between a matriculated student
27 and Defendants are contractual: “By the act of matriculation, together with payment of required fees, a
28 contract between the student and the institution is created.” *Kashmiri v. Regents of University of*

1 *California* (2007) 156 Cal.App.4th 809, 824. In addition to any express enrollment contract that may
2 exist between the students and Defendants, the law recognizes an implied-in-fact contract brought about
3 by the conduct of the parties during the students' enrollment. *Id.*

4 4. Defendants have breached their contractual duties by ceasing all in-classroom instruction at all
5 campuses and shutting down campus facilities while continuing to assess and collect full tuition and fee
6 payment from Plaintiff and class members as if full performance had been rendered to them.
7 Undoubtedly, however, the performance now being provided by Defendants and Defendants' campus
8 facilities is different from and of lesser value than what was bargained for at the time of Plaintiff's and
9 class members' enrollment.

10 5. Plaintiff and the Class have lost a substantial and material portion of the benefits of the
11 educational instruction and other services that Defendants promised them. Defendants are currently
12 unlawfully retaining and refusing to adequately refund Plaintiff and the Class's Spring 2020 term tuition
13 and other fees, despite denying Plaintiff and the Class the services for which they paid.

14 6. In essence, Defendants have wrongfully retained the tuition and other fees Plaintiff and the
15 Class paid since Defendants have denied Plaintiff and the Class in-person classroom instruction and
16 access to services and campus facilities that Plaintiff and the Class bargained for. Due to these ill-gotten
17 gains, both the law of contract and equity demand that Defendants be disgorged of their unlawful
18 windfall.

19 7. Plaintiff therefore brings this action on behalf of himself and all other similarly situated
20 students of Defendants to seek redress for Defendants' breach of contract, unjust enrichment, conversion,
21 and violations of the UCL.

22 8. Plaintiff and the proposed Class seek disgorgement and monetary damages in the amount of
23 prorated, unused amounts of tuition and fees that Plaintiff and the other Class members have paid to the
24 University. Plaintiff brings this class action for injunctive, declaratory, and equitable relief, and any other
25 available remedies, resulting from Defendants' illegal, inequitable, and unfair retention of the funds paid
26 by Plaintiff and the other students in the proposed Class.

27 **II. PARTIES**

28 9. Plaintiff Arthur Bagdasaryan is a resident of Los Angeles, California. Plaintiff Bagdasaryan

1 is an undergraduate student pursuing his bachelor's degree in accounting at Woodbury University and
2 just completed his Sophomore year. Plaintiff Bagdasaryan is scheduled to receive his bachelor's degree
3 in May 2022. Plaintiff Bagdasaryan has paid the entire amount of tuition and fees Defendant assessed
4 and is in good standing.

5 10. Defendant Woodbury University is a nonprofit corporation incorporated in the State of
6 California with its principal place of business at 7500 North Glenoaks Boulevard, Burbank, California
7 91504. Defendant Woodbury University is doing business in the State of California, operating in the
8 State of California, and is availing itself of the privileges and obligations associated therewith.

9 **III. JURISDICTION AND VENUE**

10 11. This Court has jurisdiction over this action pursuant to Section 10 of Article VI of the
11 California Constitution. No statute gives jurisdiction over the claims brought in this action to another
12 court.

13 12. This is a class action brought pursuant to Section 382 of the California Code of Civil Procedure.
14 The damages sought exceed the minimal jurisdictional limits of this Court and will be established at trial.

15 13. The Court has personal jurisdiction over Defendant Woodbury University because it is
16 headquartered in the State of California, has its principal place of business in the State of California,
17 conducts business in the State in the form of operating a university at its Los Angeles campus, and the
18 acts complained of occurred in the State of California.

19 14. Upon information and belief, at least two-thirds of the University's matriculants are California
20 residents; in fact, an estimated 86% are California residents.¹

21 15. Per California Code of Civil Procedure 395.5, venue is proper in this judicial district because
22 Defendant Woodbury University is headquartered in this judicial district, one of its campuses are in the
23 County of Los Angeles, within this judicial district, and the acts complained of occurred within this
24 judicial district. Further, venue is proper in this Court because Plaintiff accepted the offer of his contract
25 with Defendants—the contract at issue in this action—in Los Angeles County.

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28 ¹ <https://www.collegefactual.com/colleges/woodbury-university/student-life/diversity/>.

IV. FACTUAL ALLEGATIONS

A. Woodbury University

16. Defendant Woodbury University is a private university with approximately 1,100 undergraduate and graduate students.²

17. Defendants' program offerings include 21 unique majors, 18 minors, and 6 graduate degree programs, including the School of Business, the College of Liberal Arts, the School of Architecture, and the School of Media Culture & Design. Defendants have campuses in Burbank and San Diego, California.

18. Defendant Woodbury University has an endowment and pension fund of \$22.2 million.³

19. For the 2019-2020 academic year, the average cost of attendance at Woodbury was \$47,610. Of that \$39,712 is categorized as tuition while the remaining \$7,898 is categorized as other fees. Total tuition of \$47,610, spread across two semesters for Fall 2019 and Spring 2020, is \$23,805 per semester.

B. Coronavirus Disease 2019 (COVID-19)

20. In December 2019, the Chinese government identified a novel coronavirus found in the Wuhan province called severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). This strain of coronavirus caused Coronavirus disease 2019 ("COVID-19"), an easily spread and unusually lethal disease in certain population groups.⁴

21. This disease quickly and explosively spread due to its ability to survive in small respiratory droplets and the World Health Organization characterized COVID-19 as a "public health emergency of international concern" in late January and as a pandemic on March 11, 2020.⁵

22. Because the virus that causes COVID-19 is highly infectious, and because the illness can be severe or fatal, federal, state, and local governments in the United States have implemented travel restrictions and shelter-in-place or stay-at-home orders.

²<https://www.usnews.com/best-colleges/woodbury-university-1343>.

³ *Id.*

⁴ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7128332/>.

⁵ <https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>.

C. Defendants Continue to Charge Full Tuition and Fees Despite the Pandemic.

23. Plaintiff registered and paid for in-person undergraduate classes for the Spring 2020 semester based on Defendants' representations made in a course catalog.

24. Accepting Plaintiff's registration, Defendants charged Plaintiff \$19,856.00 for Spring 2020 tuition for the semester. Plaintiff Bagdasaryan has paid the entire amount of tuition and fees Defendant assessed and is in good standing.

25. In addition to tuition, Defendants also charged Plaintiff other fees for the Spring 2020 term. Many of these services are no longer available to Plaintiff, as Defendants have closed campus and shifted all instruction to entirely online. Plaintiff paid Woodbury University specific fees for services that Woodbury does not and refuses to provide including: a "Technology Fee" (\$410) for the on-campus computer labs, a "SOAR Registration Fee" (\$225), a "Campus Life Fee" (\$200), and the fee for the Associated Student of Woodbury University (ASWU) called the "ASWU Undergraduate Fee" (\$125).

26. Defendants discontinued in-person classroom instruction for all students, undergraduate and graduate, as of March 16, 2020.⁶

27. Likewise, Defendants discontinued paid-for services and evicted students from campus housing.⁷

28. The move to online learning has generally resulted in worse educational and learning opportunities for the students. Many professors at the University decided to stop having live lectures and instead started using pre-recorded presentations with audio clips. This change removed any value obtained by class interaction between the students and the professor. Further, due to the campus closure the library and other important offices were closed preventing Plaintiff and the Class from using these quiet, valuable learning spaces.

29. As a result of this transition to virtual learning online, the quality of education Plaintiff and Class members have received has suffered. Numerous studies have shown that students taking online

⁶ <https://woodbury.edu/news/presidents-message-course-delivery-changes-due-to-safer-at-home-order/>.

⁷ <https://woodbury.edu/news/housing-update-restricted-access-to-residence-halls/>

1 classes fare worse than their peers who are able to take in-person classes.^{8 9} Notably, the Brookings
2 Institute found that, taking a course online reduces a student's GPA the following term for courses in the
3 same subject area by 0.42 points and taking a course online, as opposed to in person, reduces by roughly
4 9% the likelihood that a student will remain enrolled.¹⁰

5 30. Tuition and fees charged by Defendants were predicated on Plaintiff and the Class being able
6 to use the facilities and services that were closed. As one commentator puts it, "so many [online] courses
7 have been poor substitutes for the originals."¹¹

8 31. Defendants are continuing to demand full tuition and fees despite announcing that they will
9 not be providing any on-campus instruction for the summer sessions and are providing classes that a
10 combination of online and in-person instruction for the Fall 2020 term.¹²

11 32. Woodbury University has also received over \$1.1 million in government disbursements via the
12 Coronavirus Aid, Relief, and Economic Security Act (CARES), \$599,740 of which is federally mandated
13 to go to students in need of emergency financial assistance.¹³

14 33. Despite this influx of federal funding and the obvious deficiencies of online learning,
15 Defendants have refused to properly compensate Plaintiff and the Class for the diminished value and
16 damages they have suffered as a result of Defendants' actions.

17 34. On April 2, 2020, the President of Woodbury University, David Steele-Figueredo, released a
18 statement that Woodbury is aware that students have asked for refunds regarding tuition and "Lab/tech
19

20 ⁸ See Eric Bettinger & Susanna Loeb, *Promises and Pitfalls of Online Education*, Economic Studies at
21 Brookings, Evidence Speaks Reports, Vol. 2, #15 (June 9, 2017), https://www.brookings.edu/wp-content/uploads/2017/06/ccf_20170609_loeb_evidence_speaks1.pdf.

22 ⁹ See Eric Bettinger, Lindsay Fox, Susanna Loeb & Eric Taylor, *Changing Distributions: How Online College*
23 *Classes Alter Student and Professor Performance*, CEPA Working Paper No. 15-10 (October 2015),
<https://files.eric.ed.gov/fulltext/ED580370.pdf>.

24 ¹⁰ *Id.*

25 ¹¹ <https://campustechnology.com/articles/2020/04/30/covid19s-ultimate-impact-on-online-learning-the-good-and-the-bad.aspx>.

26 ¹² <https://woodbury.edu/news/fall-2020-course-delivery/>.

27 ¹³ <https://www.insidehighered.com/news/2020/04/10/listing-funds-each-college-can-expect-receive-under-federal-stimulus>.

1 fees, High Budget School Events, Graduation Fees, Campus Life, ASWU undergraduate fees, Room and
2 Board, Meal Plans, Health Insurance, and parking passes.” Despite this awareness, President Steele-
3 Figueredo announced that they will only be providing “pro-rated reimbursements for room and board and
4 parking fees” and that the other services have been provided “while classes have transitioned to virtual
5 learning.” Students are still awaiting these refunds.

6 35. This assertion is patently false as Plaintiff and the Class are unable to utilize any of these
7 physical services sold to them. Plaintiff and the Class are unable to visit lab or tech rooms as the
8 University is shutdown. Furthermore, the remote access provided is deficient as it depends on the
9 student’s internet connection rather than Defendants’. President Steele-Figueredo has claimed that the
10 University was right in its decision to retain all other fees, stating that “[c]ampus life fees will continue
11 to be utilized . . . once we return to on-campus learning,” that the “ASWU continues to be an integral part
12 of the University operations,” and that the “campus nurse continues to provide crucial telecare work to
13 our student body.”

14 36. However, these online and/or altered services are subpar and simply not what Plaintiff and the
15 Class paid for when they decided to enroll at Defendants’ educational institution. For example, Plaintiff
16 and the Class paid for campus life fees during the Spring semester, not some later date. Plaintiff and the
17 Class also paid for an in-person nurse, in-person labs and tech rooms, and a student body that was
18 physically present on the campus. Defendants have refused to reimburse Plaintiff and the Class for the
19 fees paid for these services not provided and for tuition fees paid for in-person classes which are no longer
20 being offered.

21 37. Despite Defendants’ endowment of \$22 million and receipt of over \$1 million in federal aid,
22 Defendants have failed to adequately reimburse Plaintiff and Class members for their lost benefit.
23 Instead, Defendants have offered a series of small refunds that do not adequately refund Plaintiff and the
24 Class their tuition and student fees.

25 38. Through this lawsuit, on behalf of himself and the Class, Plaintiff seeks to recover a portion of
26 their tuition and student fees paid for the Spring term based on Defendants’ failure to provide in-person
27 classroom instruction by providing subpar virtual learning online.

28 ///

1 **V. CLASS ACTION ALLEGATIONS**

2 **Class Definition**

3 39. Plaintiff brings this action pursuant to section 382 of the California Code of Civil Procedure
4 on behalf of a proposed class of persons (the “Class”), defined as:

5 All students enrolled at Woodbury University who paid tuition and mandatory
6 campus and student services fees for the Winter and/or Spring term(s) of 2020 for
7 classes scheduled for in-person instruction who were denied that instruction for any
8 part of the Winter and/or Spring term(s) of 2020 and all persons who paid tuition
9 and mandatory campus and student services fees on behalf of said students.

10 40. Excluded from the Class are Defendants, any of its past or present officers, directors, agents,
11 and affiliates, any judge who presides over this action, and all counsel of record.

12 41. Plaintiff reserves the right to expand, limit, modify, or amend the definitions of the class as
13 may be desirable or appropriate during the course of this litigation.

14 42. Class certification is proper because the question raised by this Complaint is one of a common
15 or general interest affecting numerous persons so that it is impracticable to bring them all before the
16 Court.

17 **Numerosity and Ascertainability**

18 43. The class is sufficiently numerous, as Defendants boast an enrollment of approximately 1,100
19 students. Class members may be identified through objective means, such as Defendants’ records, and
20 notified of this action by recognized methods of notice, such as mail or e-mail, or publication in print or
21 on the Internet. Furthermore, Defendants maintain rosters of all of its attending students and their
22 financial obligations and payments.

23 **Adequacy**

24 44. Plaintiff and his counsel are adequate representatives of the interests of the putative class.
25 Plaintiff is a student at Woodbury University who is being charged tuition or fees as part of his enrollment.
26 He contends that Defendant Woodbury University has breached its agreement with students by
27 continuing to charge and demand full tuition and fees, even though Defendant Woodbury University is
28 not providing any in-person classroom instruction at any of its campuses and not making campus facilities

1 available for students.

2 45. Plaintiff has retained counsel experienced in class action litigation to litigate and represent the
3 interests of the proposed Class.

4 **Typicality**

5 46. Plaintiff's claims are typical of the claims being raised on behalf of the absent class members.
6 Like all absent Class members, Plaintiff seeks redress for Defendants' failure to provide any in-person
7 campus instruction or campus facility, while continuing to charge full tuition and fees. The claims
8 Plaintiff asserts are the same as and co-extensive with the claims raised on behalf of Class members.

9 **Superiority**

10 47. A class action is superior to other available methods for the fair and efficient adjudication of
11 this controversy. Here, classwide litigation is superior to individually litigating and adjudicating this
12 dispute, because the cost of litigating an individual claim for partial refund of tuition or fees makes such
13 individual litigation unfeasible, given the costs of bringing such an action relative to the amount of
14 damages recoverable in an individual action.

15 48. A class action is also superior to other available methods for the fair and efficient adjudication
16 of this controversy because it eliminates the prospect of inconsistent rulings that would unsettle the legal
17 obligations or expectations of Defendants, Plaintiff, and Class members.

18 49. Because the damages suffered by each individual class member may be relatively small, the
19 expense and burden of individual litigation would make it very difficult or impossible for individual class
20 members to redress the wrongs done to each of them individually, so that the prosecution of specific
21 actions and the burden imposed on the judicial system by individual litigation by the Class would be
22 significant, making class adjudication the superior option.

23 50. The conduct of this action as a class action presents far fewer management difficulties, far
24 better conserves judicial resources and the parties' resources, and far more effectively protects the rights
25 of each class member than would piecemeal litigation. Compared to the expense, burdens,
26 inconsistencies, economic infeasibility, and inefficiencies of individualized litigation, any challenge of
27 managing this action as a class action is substantially outweighed by the benefits to the legitimate interests
28 of the parties, the Court, and the public of class treatment, making class adjudication superior to other

alternatives.

Commonality and Predominance

51. Plaintiff's Complaint raises questions of fact or law common to the class that predominate over questions affecting only individual class members. Among these predominating common questions are:

a. Whether the relationship between Defendants and Plaintiff and members of the proposed Class is contractual;

b. What tuition and mandatory fees Plaintiff and Class members paid to Defendants;

c. What tuition and mandatory fee refunds, if any, Defendants issued to Plaintiff and Class members;

d. Whether Defendants breached their agreements with Plaintiff and Class members when Defendants failed to deliver to Plaintiff and Class members in-person instruction and the services for which they paid tuition and mandatory fees and subsequently refused to refund;

e. Whether the refunds, if any, Defendants issued to Plaintiff and Class members were adequate to account for the cessation in in-person classroom instruction and services and the closure of campus facilities;

f. Whether Defendants ceased providing in-person classroom instruction to Plaintiff and Class members;

g. Whether Defendants deprived Plaintiff and Class members of the use and enjoyment of campus services and facilities;

h. Whether the value of online instruction is not equivalent to the value of the in-person classroom instruction that Plaintiff and Class members bargained for and for which they were and are continuing to be charged;

i. Whether the value of campus facilities that Plaintiff and Class members were charged has been lessened as a result of Defendants' closing campus facilities;

j. Whether Defendants' action in continuing to charge and demand full tuition and fees has harmed Plaintiff and Class members;

k. Whether a method of computing classwide damages or restitution exists;

l. Whether Defendants was unjustly enriched by retaining tuition and mandatory fee

1 payments when Plaintiff and Class members did not receive the services for which they paid tuition and
2 mandatory fees;

3 m. Whether Plaintiff and Class members are entitled to declaratory or injunctive relief against
4 Defendants;

5 n. Whether Defendants have unjustly enriched themselves at the expense of Plaintiff and
6 Class members; and

7 o. Whether Defendants engaged in unfair business practices in violation of California law in
8 refusing to refund any portion of the tuition and fees paid for services not offered to Plaintiff.

9 52. In the event that the Court were to find the proposed class definition inadequate in any way,
10 Plaintiff respectfully prays for certification of any other alternative, narrower class definition or for the
11 certification of subclasses, as appropriate.

12 VI. FIRST CAUSE OF ACTION

13 Breach of Contract

14 (Brought by Plaintiff on Behalf of Himself and the Class Against All Defendants)

15 53. Plaintiff re-alleges and incorporates by reference all previous allegations as though set forth in
16 full herein.

17 54. By the act of matriculation, together with payment of required fees, a contract between Plaintiff
18 and Class members, on the one hand, and Defendants, on the other hand, was created. Thus, in addition
19 to any enrollment contract that may exist between Defendants and the Plaintiff and Class members, an
20 implied-in-fact contract independently exists between the parties as a matter of California law.

21 55. By ceasing all in-person classroom instruction, relegating Plaintiff and Class members to
22 online instruction only and shutting off campus facilities to Plaintiff and Class members, Defendants have
23 failed to provide the services that plaintiff bargained for in entering her contractual relationship with
24 Defendants.

25 56. Although Defendants may not bear culpability for the campus closures or the inability to
26 provide any classroom instruction, neither do the enrolled students. Yet, while Defendants have used the
27 current COVID-19 shutdown circumstances to excuse its obligation to fully perform the obligations of
28 their bargain with their students, Defendants continue to demand that all students fully perform their

1 contractual obligations to pay in full all tuition and fees, without any reduction for Defendants' failure to
2 fully perform their contractual obligations. This is contrary to the tenets of contract law.

3 57. The nature of the instruction provided by Defendants at the time Plaintiff and Class members
4 enrolled (*i.e.*, in-person classroom instruction), as well as the campus facilities Defendants offer across
5 its schools and campuses, were and are material terms of the bargain and contractual relationship between
6 students and Defendants.

7 58. Defendants' failure to provide any in-person classroom instruction and its shutdown of campus
8 facilities amount to a material breach of the contract.

9 59. As a result of Defendants' material breach—regardless of whether Defendants' performance
10 may be excused—Plaintiff and Class members are not to be held liable for continuing to perform their
11 contractual obligations. That is, regardless of whether Defendants' failure to offer in-person classroom
12 instruction or to provide campus facilities is to be excused as a result of the COVID-19 pandemic,
13 Defendants cannot continue to demand full payment of tuition and fees from Plaintiff and Class members
14 for services and facilities that Defendants are indisputably failing to provide.

15 60. Defendants' breach and continued demand for full payment from Plaintiff and the Class
16 members are the proximate causes of Plaintiff's and Class members' injury.

17 61. Plaintiff and Class members have all been harmed as a direct, foreseeable, and proximate result
18 of Defendants' actions because Plaintiff and Class members are being charged full tuition and fees for
19 services that Defendants are not providing.

20 62. Plaintiff and Class members are entitled to an award of money damages or partial restitution
21 in an amount to be determined at trial as redress for Defendants' breach. Plaintiff prays for the
22 establishment of a Court-ordered and Court-supervised common fund from which the claims of affected
23 Class members may be paid and the attorneys' fees and costs of suit expended by class counsel, as
24 approved by the Court, may be awarded and reimbursed.

25 63. Defendants continue to insist that full tuition and fees are due from plaintiff and the students,
26 despite Defendant's failure to fully perform its contractual obligations. Unless restrained by way of
27 injunctive relief, Defendants' conduct is reasonably likely to lead to irreparable harm. Plaintiff and Class
28 members are entitled to and hereby pray for injunctive relief to enjoin Defendants' continued conduct.

64. Defendants continue to represent falsely on its web site that it offers campus facilities with significant benefit and value to students and continues to represent falsely the value of its in-person on-campus classes. Unless restrained by way of injunctive relief, Defendants' conduct is reasonably likely to lead to irreparable harm. Plaintiff and Class members are entitled to and hereby pray for injunctive relief to enjoin Defendants' continued conduct.

65. Defendants dispute their obligation to refund tuition and fees to Plaintiff and Class members. Given this dispute and the contractual relationship between the parties, Plaintiff and Class members are entitled to and hereby pray for declaratory relief to have the Court declare the parties' respective obligations.

VII. SECOND CAUSE OF ACTION

Unjust Enrichment

(Brought by Plaintiff on Behalf of Himself and the Class Against All Defendants)

66. Plaintiff re-alleges and incorporates by reference all previous allegations as though set forth in full herein.

67. Plaintiff and Class members conveyed money to Defendant in the forms of tuition and fees for on-campus instruction and facilities that Defendants did not provide and is not providing. Defendants have continued to retain these monies, despite not providing the full benefit of on-campus classroom instruction and campus services and facilities.

68. Through this conduct, Defendants have been unjustly enriched at the expense of Plaintiff and Class members.

69. Between the parties (Defendants and the Class members), it would be inequitable to permit Defendants to retain all of the benefits Plaintiff and Class members conferred on Defendants the form of tuition and fees paid.

70. Plaintiff and Class members are entitled to and hereby pray for an order of partial restitution as redress for Defendants' unjust enrichment. Plaintiff prays for the establishment of a Court-ordered and -supervised common fund from which the claims of affected Class members may be paid and the attorneys' fees and costs of suit expended by class counsel, as approved by the Court, may be awarded and reimbursed.

71. Defendants continue to falsely represent on their web site that they offer campus facilities with significant benefit and value to students and continue to falsely represent the value of their in-person on-campus classroom instruction. This is false in that such on-campus instruction is not being offered. Defendants also continue to defy and deny requests for partial tuition or fee reimbursement, claiming that it is offering the same services for which Plaintiff and Class members bargained. Thus, Defendants are continuing to demand full tuition and fees despite announcing that they will not be providing any on-campus instruction for the summer sessions and is uncertain of whether it will do so for the Fall 2020 term. Unless restrained by way of injunctive relief, Defendants' conduct is reasonably likely to lead to irreparable harm. Plaintiff and Class members are entitled to and hereby pray for injunctive relief to enjoin Defendants' continued conduct.

VIII. THIRD CAUSE OF ACTION

Conversion

(Brought by Plaintiff on Behalf of Himself and the Class Against All Defendants)

72. Plaintiff re-alleges and incorporates by reference all previous allegations as though set forth in full herein.

73. Defendants received money from Plaintiff and Class members in the form of tuition and fee payments.

74. The money Plaintiff and Class members paid to Defendants was supposed to be used for the benefit of Plaintiff and Class members for Defendants' provision of on-campus university classroom instruction and to make available to Plaintiff and Class members campus services and facilities.

75. Defendants wrongfully exercised control over and/or intentionally interfered with the rights of Plaintiff and Class members by effectively closing their campuses to in-person classroom instruction and switching to a virtual online-only format, discontinuing paid-for services, and evicting students from campus housing.

76. Defendants received and wrongfully kept the money Plaintiff and Class members paid for tuition and fee payments, because Defendants have not provided campus facilities or on-campus instruction for the Winter/Spring term. More specifically, Defendants failed to provide to Plaintiff and Class members the benefits—such as in-person classroom instruction and related academic activities,

1 access to campus services, facilities, and in-person extracurricular, athletic, and other student activities—
2 that Plaintiff and Class members paid the tuition and mandatory campus and student services fees to
3 secure.

4 77. Plaintiff and/or Class members have requested that Defendants issue refunds.

5 78. Defendants refused to return, and has thus wrongfully retained, a portion of tuition and
6 mandatory campus and student services fees. Defendants, therefore, are indebted to Plaintiff and Class
7 members for this failure to provide on-campus classroom instruction and campus facilities.

8 79. Defendants' actions have damaged Plaintiff and Class members in the amounts of the tuition
9 and mandatory campus and student services fees that defendant improperly withheld.

10 80. Plaintiff and Class members hereby pray for the full panoply of remedies available as redress
11 for conversion, including a constructive trust over such monies had and received for which the benefit
12 was not provided, restitution or disgorgement, as appropriate, and declaratory and injunctive relief.

13 **IX. FOURTH CAUSE OF ACTION**

14 **Violation of California's Unfair Competition Law ("UCL"), California Business** 15 **and Professions Code §§ 17200, *et seq.***

16 **(Brought by Plaintiff on Behalf of Himself and the Class Against All Defendants)**

17 81. Plaintiff re-alleges and incorporates by reference all previous allegations as though set forth in
18 full herein.

19 82. California's Unfair Competition Law, California Business and Professions Code sections
20 17200, *et seq.*, prohibits an "unlawful, unfair or fraudulent business act or practice."

21 83. Defendants violated the Unfair Competition Law by committing an unlawful act by breaching
22 their contracts with Plaintiff and Class members, failing to provide services paid for, including in-person
23 classroom instruction and access to Defendants' facilities, and failing to refund tuition, fees, and costs.

24 84. Defendants' conduct in representing that it offers campus facilities and on-campus instruction
25 to Plaintiff and Class members when, in fact, it did not do so, but continuing to charge and demand full
26 tuition and fees as if such services and facilities were being provided, amounts to an unlawful, unfair, or
27 deceptive business practice within the meaning of California's Unfair Competition Law ("UCL").

28 85. Had Defendants disclosed that they would not be offering on-campus facilities or in-classroom

1 instruction before it charged Plaintiff and Class members full tuition and fees and decided to retain them,
2 Plaintiff and Class members either would not have enrolled at Defendants' educational institution or
3 would not have agreed to pay the same amounts of tuition and fees for services and facilities they would
4 not receive.

5 86. Defendants' practices are fraudulent because Defendant represented that it would offer in-
6 person instruction and access to Defendants' campus facilities. Plaintiff and Class members paid for the
7 Winter/Spring 2020 term and college experience advertised. However, Plaintiff and Class members did
8 not receive the services they paid for—Defendant moved all classes online, restricted student access to
9 university facilities, and evicted students from campus housing.

10 87. Plaintiff and Class members conveyed money to Defendants in the forms of tuition and fees
11 while Defendants were engaged in the unlawful, unfair, or deceptive business practice.

12 88. Plaintiff and Class members have been and continue to be injured by Defendants' unlawful,
13 unfair, or deceptive business practices because they are not receiving the instruction or facilities for which
14 they conveyed money to Defendant.

15 89. Plaintiff and Class members are entitled to and pray for an order of partial restitution as redress
16 for Defendants' violations of the UCL.

17 90. Plaintiff and Class members pray for the establishment of a Court-ordered and -supervised
18 common fund from which the claims of affected Class members may be paid and the attorneys' fees and
19 costs of suit expended by class counsel, as approved by the Court, may be awarded and reimbursed.

20 91. Defendants continue to charge full tuition and fees as if full services and facilities were being
21 provided, collecting millions of dollars from students deprived of the full benefit of their payments.

22 92. Defendants continue to represent falsely on its web site that it offers campus facilities with
23 significant benefit and value to students and continues to represent falsely the value of its in-person on-
24 campus classes. Defendants also continue to defy and deny all requests for partial tuition reimbursement,
25 claiming falsely that it is offering the same services as Plaintiff and Class members had bargained for.
26 Thus, Defendants are continuing to demand full tuition and fees, even though Defendants have already
27 announced that they will not be providing any on-campus instruction for the summer sessions and is
28 uncertain of whether it will do so for the Fall 2020 term. Unless restrained by way of injunctive relief,

Defendants' conduct is reasonably likely to lead to irreparable harm. Plaintiff and Class members are entitled to and hereby pray for injunctive relief to enjoin Defendants' continued conduct.

93. As a direct and proximate result of Defendants' unlawful and unfair business acts and practices, Plaintiff and Class members have suffered and will continue to suffer actual damages.

94. Plaintiff and Class members are entitled to and seek disgorgement and restitution of the benefits unjustly retained, whether in whole or in part, including through refunds for tuition, fees, and/or room and board.

X. PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of himself and all others similarly situated, respectfully requests that this Court finds against Defendants as follows:

1. An order certifying this action as a class action as defined herein, appointing Plaintiff and as Class representative, his counsel as Class counsel, and directing that notice be disseminated to the absent Class members;

2. For judgment in favor of Plaintiff and Class members and against Defendants on all counts and claims for relief;

3. For compensatory, consequential, general, and punitive damages and/or restitution in an amount to be determined at trial;

4. For statutory damages, treble damages, and punitive or exemplary damages to the extent permitted by law;

5. Pre-judgment and post-judgment interest at the maximum legal rates; and

6. For the establishment of a Court-ordered and -supervised common fund to be funded by Defendant and from which claims of all eligible class members will be paid, attorneys' fees awarded to class counsel will be paid, costs of suit approved by the Court and incurred by Class counsel will be reimbursed, and any award of interest will be disbursed;

7. For interest as permitted by law;

8. For an award of attorneys' fees;


9. For costs of suit;

10. For declaratory relief, to have the Court declare the obligations of the parties;

11. For injunctive relief to enjoin Defendants' ongoing conduct; and
12. For all such other relief as the Court deems just and proper.

Dated: July 3, 2020

SHEGERIAN & ASSOCIATES, INC.

By: 
Carney R. Shegerian
Anthony Nguyen
Cheryl A. Kenner


Attorneys for Plaintiff ARTHUR BAGDASARYAN,
on behalf of himself and all others similarly situated

XI. DEMAND FOR JURY TRIAL

Plaintiff ARTHUR BAGDASARYAN, on behalf of himself and all others similarly situated,
hereby demands a jury trial with respect to all issues triable of right by jury.

Dated: July 3, 2020

SHEGERIAN & ASSOCIATES, INC.

By: 
Carney R. Shegerian
Anthony Nguyen
Cheryl A. Kenner

Attorneys for Plaintiff ARTHUR BAGDASARYAN,
on behalf of himself and all others similarly situated