

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

KYLE SMITH, IBRAHIM FETAHI, SHAWN WYNN,
ARA SARDARBEGIANS, RYAN FINK, CHRISTOPHER
HAMILTON, JOHN THOMPSON and BRETT BONDS,
Individually and On Behalf of All Others Similarly
Situated,

Civil Case No.
2:18-cv-00590-CMR

Plaintiffs,

~~-against-~~

TEMPLE UNIVERSITY,

Defendant.

AMENDED CLASS ACTION COMPLAINT¹

Plaintiffs, individually, and on behalf of all others similarly situated, upon personal knowledge and upon information and belief as to all other matters, as and for their Complaint against Defendant, TEMPLE UNIVERSITY, (“TEMPLE”) allege as follows:

NATURE OF CLAIMS

1. Plaintiffs bring this action individually, and on behalf of all similarly situated persons, who enrolled as students in TEMPLE’S Fox School of Business and Management’s Online MBA program, between 2015 and the present.

¹ Amended as a matter of course pursuant to Fed. R. Civ. P. 15(a)(1)(B).

2. Plaintiffs allege breach of contract, unjust enrichment, and violation of Pennsylvania Unfair Trade Practices and Consumer Protection Law, and seek injunctive relief, compensatory, consequential, and punitive damages, costs and reasonable attorney's fees for TEMPLE'S' deceptive and unfair business practices, as herein alleged.

JURISDICTION AND VENUE

3. The provisions of the Class Action Fairness Act ("CAFA"), 18 U.S.C. § 1332(d) explicitly provide for the original jurisdiction of the Federal Courts in any class action in which any member of the plaintiff class is a citizen of a State different from any defendant, and in which the matter in controversy exceeds the sum of \$5,000,000, exclusive of interests and costs.

4. Plaintiffs allege that the total claims of individual class members in this action are well in excess of \$5,000,000 in the aggregate, exclusive of interests and costs, as required by 28 U.S.C. §§ 1332(d)(2)(5).

5. Plaintiffs are Citizens of New Jersey, California, Florida, Maryland, Virginia, Pennsylvania, New York and Connecticut. TEMPLE is a Citizen of the Commonwealth of Pennsylvania. Members of the Class reside in 40 states of the Union other than Pennsylvania and their citizenship is diverse from that of TEMPLE.

6. Diversity of citizenship exists under CAFA, as required by 28 U.S.C. §§ 1332(d) (5) (B).

7. The total approximate number of members of the proposed Plaintiff Class is at least 500 persons.

8. The Court has supplemental jurisdiction over Plaintiffs' state law claims pursuant to 28 U.S.C. §1367(a).

9. Venue is proper in the United States District Court for the Eastern District of Pennsylvania under 28 U.S.C. §§ 1391, because a substantial part of the events or omissions giving rise to the claim occurred in this district and Defendant is subject to personal jurisdiction in this District.

THE PARTIES

10. Plaintiff, KYLE SMITH, is a citizen and resident of Eatontown, New Jersey 07724.

11. Plaintiff, IBRAHIM FETAHI, is a citizen and resident of San Francisco, California 94103.

12. Plaintiff, SHAWN WYNN, is a citizen and resident of Jacksonville, Florida 32216.

13. Plaintiff, ARA SARDARBEGIANS, is a citizen and resident of Rockville, Maryland 20850.

14. Plaintiff, RYAN FINK, is a citizen and resident of North Wales, Pennsylvania 19454.

15. Plaintiff, CHRISTOPHER HAMILTON, is a citizen and resident of Newport News, Virginia 23601.

16. Plaintiff, JOHN THOMPSON, is a citizen and resident of Owego, New York 13827.

17. Plaintiff, BRETT BONDS, is a citizen and resident of Stonington, Connecticut 06378.

18. TEMPLE is an incorporated comprehensive research university, created under the laws of the Commonwealth of Pennsylvania, and maintains its headquarters and largest campus in Philadelphia, Pennsylvania.

STATEMENT OF MATERIAL FACTS

19. TEMPLE is a public research university in Philadelphia and holds itself out as a national leader in education, research and healthcare, with approximately 40,000 undergraduate, graduate and professional students.

20. The Fox School of Business and Management is a school within TEMPLE, offering several Master of Business Administration programs, including an MBA delivered 100% online.

21. The Fox Online MBA program commenced in 2009. It is an AACSB accredited program. At present, there are approximately 550 students enrolled in the program, with an average age of 36 and 12 years of work experience.

22. Approximately 190 students have graduated from the program since its inception. There is an application acceptance rate of 77%.

KYLE SMITH

23. Plaintiff SMITH has received certification as a project management professional (PMP) and is presently employed by BASF on a full-time basis, as a Senior Project Engineer – Catalyst Technology and Research & Development.

24. Plaintiff SMITH'S deciding factor in enrolling at TEMPLE was its No.1 online MBA ranking for consecutive years.

25. But for TEMPLE'S No.1 ranking, Plaintiff SMITH would have selected another online MBA program.

26. Plaintiff was willing to pay TEMPLE'S premium per credit rate of tuition, which had a direct correlation to its No.1 online MBA ranking.

27. If TEMPLE had not received a No.1 online MBA ranking, Plaintiff SMITH would not have agreed to pay TEMPLE'S premium per credit rate of tuition.

28. Plaintiff enrolled in the Fox Online MBA program in the Spring 2017 semester. He anticipates receiving his MBA in the Fall 2018 semester.

29. To date, Plaintiff SMITH has completed 36 credits of study and incurred tuition costs of approximately \$ 51,345.00. Plaintiff SMITH has achieved a Grade Point Average (GPA) of 3.97 [out of 4.0].

30. Plaintiff SMITH is eligible to receive annual employer tuition reimbursement.

31. Plaintiff SMITH was required to execute a contract with BASF, providing in pertinent part, that in consideration of tuition reimbursement, he is legally bound to continue his employment with BASF for an additional two (2) years.

32. If Plaintiff SMITH voluntarily leaves employment or is terminated for cause, he must repay 100% of the tuition reimbursement monies received, within the 24 months immediately prior to the termination date.

33. Plaintiff SMITH incurred personal out-of-pocket expenses for Fox Online MBA course related books and online subscriptions.

34. Plaintiff SMITH incurred personal out-of-pocket expenses for meals in connection with TEMPLE Fox Business School's mandatory one (1) week residency program before his first semester.

35. Plaintiff SMITH incurred personal out-of-pocket expenses for testing fees charged by Examity®, which is an online proctoring solution that gives students the flexibility to take exams remotely. It provides teachers, schools and students with the tools they need to prevent cheating and to preserve integrity.

IBRAHIM FETAHI

36. Plaintiff FETAHI is presently employed by SAP on a full-time basis, as a Manager, Strategy and Business Analytics.

37. Plaintiff FETAHI applied to and was accepted by at least one (1) online MBA Program other than TEMPLE'S.

38. Plaintiff FETAHI'S deciding factor in enrolling at TEMPLE was the prestige associated with its No.1 online MBA ranking for consecutive years.

39. But for TEMPLE'S No.1 ranking, Plaintiff FETAHI would have selected another online MBA program.

40. Plaintiff FETAHI was willing to pay TEMPLE'S premium per credit rate of tuition, which had a direct correlation to its No.1 online MBA ranking.

41. If TEMPLE had not received a No.1 online MBA ranking, Plaintiff FETAHI would not have agreed to pay TEMPLE'S premium per credit rate of tuition.

42. Plaintiff FETAHI enrolled in the Fox Online MBA program in the Fall 2015 semester and anticipates receiving his MBA in May 2018.

43. To date, Plaintiff FETAHI has completed 48 credits of study and incurred tuition costs of approximately \$ 79,776.00. Plaintiff FETAHI has achieved a Grade Point Average (GPA) of 3.77 [out of 4.0].

44. Plaintiff FETAHI has taken private student loans to finance his tuition for the Fox Online MBA and immersion programs.

45. Plaintiff FETAHI has incurred application fees, transaction fees and interest charges in connection with the student loans.

46. Plaintiff FETAHI has incurred expenses for Fox Online MBA course related fees and trip expenses for immersion programs.

47. Plaintiff FETAHI incurred personal out-of-pocket expenses for Fox Online MBA course related books and online subscriptions.

48. Plaintiff FETAHI incurred personal out-of-pocket expenses for transportation and meals in connection with TEMPLE Fox Business School's mandatory one (1) week residency program before his first semester.

49. Plaintiff FETAHI incurred personal out-of-pocket expenses for online proctor testing fees charged by Examity®, which enabled him to take exams remotely.

SHAWN WYNN

50. Plaintiff WYNN is presently employed by Aeroptic on a full-time basis, as a sensor operator.

51. Plaintiff WYNN applied to and was accepted by at least one (1) online MBA Program other than TEMPLE'S.

52. Plaintiff WYNN'S deciding factor in enrolling at TEMPLE was the prestige associated with its No.1 online MBA ranking for consecutive years.

53. But for TEMPLE'S No.1 ranking, Plaintiff WYNN would have selected another online MBA program.

54. Plaintiff WYNN was willing to pay TEMPLE'S premium per credit rate of tuition, which had a direct correlation to its No.1 online MBA ranking.

55. If TEMPLE had not received a No.1 online MBA ranking, Plaintiff WYNN would not have agreed to pay TEMPLE'S premium per credit rate of tuition.

56. Plaintiff WYNN, enrolled in the Fox Online MBA program in the Summer 2016 semester and anticipates receiving his MBA in May 2018.

57. To date, Plaintiff WYNN has completed 48 credits of study and incurred tuition costs of approximately \$60,000.00. Plaintiff WYNN has achieved a Grade Point Average (GPA) of 3.46 [out of 4.0].

58. Plaintiff WYNN's tuition was defrayed by the G.I. Bill.

59. Plaintiff WYNN incurred personal out-of-pocket expenses for Fox Online MBA course related books and online subscriptions.

60. Plaintiff WYNN incurred personal out-of-pocket expenses for plane fare and meals in connection with TEMPLE Fox Business School's mandatory one (1) week residency program before his first semester.

61. Plaintiff WYNN incurred personal out-of-pocket expenses for online proctor testing fees charged by Examity®, which enabled him to take exams remotely.

ARA SARDARBEGIANS

62. Plaintiff SARDARBEGIANS is presently employed by the United States Postal Service on a full-time basis, as a mathematical statistician business analyst.

63. Plaintiff SARDARBEGIANS applied to and was accepted by at least one (1) online MBA Program other than TEMPLE'S.

64. Plaintiff SARDARBEGIANS' deciding factor in enrolling at TEMPLE was the prestige associated with its No.1 online MBA ranking for consecutive years.

65. But for TEMPLE'S No.1 ranking, Plaintiff SARDARBEGIANS would have selected another online MBA program.

66. Plaintiff SARDARBEGIANS was willing to pay TEMPLE'S premium per credit rate of tuition, which had a direct correlation to its No.1 online MBA ranking.

67. If TEMPLE had not received a No.1 online MBA ranking, Plaintiff SARDARBEGIANS would not have agreed to pay TEMPLE'S premium per credit rate of tuition.

68. Plaintiff SARDARBEGIANS enrolled in the Fox Online MBA program in the Spring 2016 semester and received his MBA degree in September 2017.

69. Plaintiff SARDARBEGIANS completed 48 credits of study and incurred tuition costs of approximately \$ 60,000.00. He achieved a perfect Grade Point Average (GPA) of 4.00 [out of 4.0].

70. Plaintiff SARDARBEGIANS received limited employer tuition reimbursement in the amount of \$15,350. Plaintiff used personal funds to pay tuition in amounts in excess of that limit.

71. Plaintiff SARDARBEGIANS was required to execute a contract with USPS, providing in pertinent part, that if he leaves employment or is terminated, he must repay 100% of the tuition reimbursement monies received, within the 12 months immediately prior to the termination date.

72. Plaintiff SARDARBEGIANS incurred personal out-of-pocket expenses for online proctor testing fees charged by Examity®, which enabled him to take exams remotely.

73. Plaintiff SARDARBEGIANS incurred personal out-of-pocket expenses for Fox Online MBA course related books and online subscriptions.

74. Plaintiff SARDARBEGIANS incurred personal out-of-pocket expenses for gas, tolls and meals in connection with TEMPLE Fox Business School's mandatory one (1) week residency program before his first semester.

RYAN FINK

75. Plaintiff FINK is presently employed by The Vanguard Group, on a full-time basis as Manager, Identity & Access Management.

76. Plaintiff FINK'S deciding factor in enrolling at TEMPLE was the prestige associated with its No.1 online MBA ranking for consecutive years.

77. But for TEMPLE'S No.1 ranking, Plaintiff FINK would have selected another online MBA program.

78. Plaintiff FINK was willing to pay TEMPLE'S premium per credit rate of tuition, which had a direct correlation to its No.1 online MBA ranking.

79. If TEMPLE had not received a No.1 online MBA ranking, Plaintiff FINK would not have agreed to pay TEMPLE'S premium per credit rate of tuition.

80. Plaintiff FINK enrolled in the Fox Online MBA program in the Spring 2017 semester and anticipates receiving his MBA in May 2019

81. Plaintiff FINK has completed 24 credits of study and incurred tuition costs of approximately \$ 30,000.00. He has achieved a Grade Point Average (GPA) of 3.92 [out of 4.0].

82. Plaintiff FINK has taken federal unsubsidized student loans to finance his tuition for the Fox Online MBA program.

83. Plaintiff FINK has incurred interest charges in connection with the student loans.

84. Plaintiff FINK is eligible to receive annual employer tuition reimbursement not to exceed \$9,000. He was required to execute a contract with his employer, providing in pertinent part, that if he voluntarily leaves employment or is terminated for cause, he must repay 100% of the tuition reimbursement monies received, within the 24 months immediately prior to the termination date.

85. Plaintiff FINK has incurred personal out-of-pocket expenses for Fox Online MBA course related books and online subscriptions.

86. Plaintiff FINK incurred personal out-of-pocket expenses for transportation expenses and meals in connection with TEMPLE Fox Business School's mandatory one (1) week residency program before his first semester.

87. Plaintiff FINK incurred personal out-of-pocket expenses for online proctor testing fees charged by Examity®, which enabled him to take exams remotely.

CHRISTOPHER HAMILTON

88. Plaintiff HAMILTON is presently employed by NASA, on a full-time basis as a Program Analyst.

89. Plaintiff HAMILTON applied to and was accepted by at least one (1) online MBA Program other than TEMPLE'S.

90. Plaintiff HAMILTON'S deciding factor in enrolling at TEMPLE was the prestige associated with its No.1 online MBA ranking for consecutive years.

91. But for TEMPLE'S No.1 ranking, Plaintiff HAMILTON would have selected another online MBA program.

92. Plaintiff HAMILTON was willing to pay TEMPLE'S premium per credit rate of tuition, which had a direct correlation to its No.1 online MBA ranking.

93. If TEMPLE had not received a No.1 online MBA ranking, Plaintiff HAMILTON would not have agreed to pay TEMPLE'S premium per credit rate of tuition.

94. Plaintiff HAMILTON enrolled in the Fox Online MBA program in the Summer 2016 semester and anticipates receiving his MBA in May 2018.

95. Plaintiff HAMILTON has completed 45 credits of study and incurred tuition costs of approximately \$60,000.00. He has achieved a Grade Point Average (GPA) of 3.89 [out of 4.0].

96. Plaintiff HAMILTON has taken federal unsubsidized student loans to finance his tuition for the Fox Online MBA program.

97. Plaintiff HAMILTON has incurred application fees, transaction fees and interest charges in connection with the student loans.

98. Plaintiff HAMILTON has incurred personal out-of-pocket expenses for Fox Online MBA course related books and online subscriptions.

99. Plaintiff HAMILTON incurred personal out-of-pocket expenses for meals in connection with TEMPLE Fox Business School's mandatory one (1) week residency program before his first semester.

100. Plaintiff HAMILTON incurred personal out-of-pocket expenses for online proctor testing fees charged by Examity®, which enabled him to take exams remotely.

JOHN THOMPSON

101. Plaintiff THOMPSON is presently serving as a Lieutenant in the U.S. Navy.

102. Plaintiff THOMPSON'S deciding factor in enrolling at TEMPLE was the prestige associated with its No.1 online MBA ranking for consecutive years.

103. But for TEMPLE'S No.1 ranking, Plaintiff THOMPSON would have selected another online MBA program.

104. Plaintiff THOMPSON was willing to pay TEMPLE'S premium per credit rate of tuition, which had a direct correlation to its No.1 online MBA ranking.

105. If TEMPLE had not received a No.1 online MBA ranking, Plaintiff THOMPSON would not have agreed to pay TEMPLE'S premium per credit rate of tuition.

106. Plaintiff THOMPSON enrolled in the Fox Online MBA program in the Summer 2016 semester and anticipates receiving his MBA in May 2018.

107. Plaintiff THOMPSON has completed 45 credits of study and incurred tuition costs of approximately \$ 60,000.00. He has achieved a Grade Point Average (GPA) of 3.91 [out of 4.0].

108. Plaintiff THOMPSON's tuition was defrayed by the G.I. Bill.

109. Plaintiff THOMPSON incurred personal out-of-pocket expenses for Fox Online MBA course related books, online subscriptions and journal articles.

110. Plaintiff THOMPSON incurred personal out-of-pocket expenses for transportation and meals in connection with TEMPLE Fox Business School's mandatory one (1) week residency program before his first semester.

111. Plaintiff THOMPSON incurred personal out-of-pocket expenses for online proctor testing fees charged by Examity®, which enabled him to take exams remotely.

BRETT BONDS

112. Plaintiff BONDS is presently serving as a Lieutenant in the U.S. Navy.

113. Plaintiff BONDS applied to and was accepted by at least one (1) online MBA Program other than TEMPLE'S.

114. Plaintiff BOND'S deciding factor in enrolling at TEMPLE was the prestige associated with its No.1 online MBA ranking for consecutive years.

115. But for TEMPLE'S No.1 ranking, Plaintiff BONDS would have selected another online MBA program.

116. Plaintiff BONDS was willing to pay TEMPLE'S premium per credit rate of tuition, which had a direct correlation to its No.1 online MBA ranking.

117. If TEMPLE had not received a No.1 online MBA ranking, Plaintiff BONDS would not have agreed to pay TEMPLE'S premium per credit rate of tuition.

118. Plaintiff BONDS enrolled in the Fox Online MBA program in the Winter 2015 semester and received his MBA degree in December 2017.

119. Plaintiff BONDS completed 48 credits of study and incurred tuition costs of approximately \$ 60,000.00. He achieved a Grade Point Average (GPA) of 3.96 [out of 4.0].

120. Plaintiff BOND'S tuition was defrayed by the G.I. Bill.

121. Plaintiff BONDS incurred personal out-of-pocket expenses for Fox Online MBA course related books, online subscriptions and journal articles.

122. Plaintiff BONDS incurred personal out-of-pocket expenses for airfare, transportation and meals in connection with TEMPLE Fox Business School's mandatory one (1) week residency program before his first semester.

123. Plaintiff BONDS incurred personal out-of-pocket expenses for online proctor testing fees charged by Examity®, which enabled him to take exams remotely.

ONLINE MBA PROGRAMS

124. People looking for growth in their current careers or to launch a new one, are investing time and money to earn an accredited MBA to advance in the job marketplace.

125. Online MBA programs offer the ultimate flexibility for motivated professionals. Students can generally complete coursework on their own schedule and still maintain a full-time job and other commitments.

126. There are an estimated 11,000 students enrolled in AACSB accredited online MBA schools in the United States.

127. An analysis of data submitted to U.S. News by schools in an annual survey offers a glimpse at the average student in a ranked online MBA program who enrolled between July 2015 and June 2016. According to these data, the average age

of online MBA students who started a program during that period was 33 years old – older than the average of 27 for those who began an on-campus, full-time MBA program in fall 2016.

128. Among the 124 ranked online programs that provided employment data to U.S. News, an average of 91 percent was also working full time when they enrolled.

129. Online MBA programs vary widely in cost depending on the school. Universities generally charge per credit hour, so total cost will depend on how many classes a student takes to complete all degree requirements.

130. The least expensive online MBA programs can charge less than \$300 per credit hour for in-state tuition, resulting in total program costs under \$10,000 before financial aid is applied. Top-tier, brand-name business schools can charge more than \$1,500 per credit hour, which can, in some cases, result in total costs of more than \$100,000 for online MBA degrees.

ONLINE MBA RANKING

131. There are many big names in the educational rankings industry, including Bloomberg Businessweek, U.S. News & World Report, Financial Times, Forbes, Princeton Review, and The Economist.

132. Online MBA programs only have a few prestigious rankings, and among the most respected of them is the U.S. News & World Report Best Online MBA Programs Ranking.

133. The U.S. News Online MBA rankings are taken specifically for distance MBA programs, and are based upon vetting the following categories, with the following weights: Student engagement (28%), Admissions selectivity (25%), Peer reputation (25%), Faculty credentials and training (11%), and Student services and technology (11%).

134. U.S News describes their methodology transparency as follows:

“US. News offers prospective students an analytically rigorous ranking based on data specific to the distance program by a specific school, and not solely based upon its traditional business school’s overall reputation. Meaning, that this ranking is not just a subset of a larger on-campus MBA or business ranking. Students do not have to assess the data and see how it might apply to the online program. This data is different and gives students a unique perspective into the exact program in which they might enroll. “

135. US News Online MBA Ranking does not include data available from students and alumni. The data used only shows the intended quality of the program, based upon infrastructure, and the perspective of the program from the view of peer academic officials.

136. U.S. News started ranking online MBA programs in 2012. In 2014, US News ranked Temple No. 9.

137. From 2015 to 2018, U.S. News released their online MBA rankings from a list of 225 different online MBA programs. For those four (4) consecutive years, the U.S.

News ranked TEMPLE University as No.1.

138. TEMPLE'S No.1 Online MBA ranking provided significant leverage to enable the school to increase enrollment in its online MBA offering. In fact, in 2017 alone, TEMPLE was able to increase its online MBA enrollment by an impressive 57% to 546 students from 351, one of the largest percentage increases of any online MBA offering that year. Only two other highly ranked programs did better; the University of Maryland's Smith School of Business boosted enrollment by 151% to 369 students from only 147 a year ago. The University of North Carolina's Kenan-Flagler Business School reported a 78% jump in enrollment to 1,862 students from 1,047 a year earlier.

139. TEMPLE'S four (4) consecutive No.1 rankings also had an organic geometric positive impact on another aspect of U.S. News ranking. The peer assessment portion of the rankings accounts for 25% of the overall weight. Peer assessment is achieved by the administration of independent surveys conducted of high-ranking academic officials at MBA programs, which helps account for intangible factors affecting program quality that statistics do not capture. Also, employers may hold in high regard MBAs earned from programs that academics respect. TEMPLE'S persistent dominance as No.1, served to help it to gain new prestige, each succeeding year.

THE RANKING SCANDAL

140. On January 24, 2018, U.S. News removed TEMPLE's Fox School of Business

No. 1 ranked online MBA program off its newest rankings [2018] after finding out that TEMPLE had misreported critical data on its program.

141. Shortly after the release of the 2018 Best Online MBA Programs rankings, TEMPLE notified U.S. News that it had misreported data that was used to calculate the Best Online MBA Programs.

142. TEMPLE significantly overstated the number of new entrants for its 2016-2017 entering class who submitted GMAT scores. Temple had reported that all 255 [100%] of the program's latest incoming class submitted GMAT scores to get into the program, with an average GMAT score of 619. That score put TEMPLE among the five online MBA programs with the highest test scores in U.S. News' Top 50. In truth and fact, the school acknowledged that only 50 students, or 19.6%, submitted GMAT scores, indicating that the reported average may have been significantly inflated. Standardized test scores are a common and usually required part of admissions in graduate business education.

143. U.S. News' methodology penalizes online MBA programs in its rankings if less than 75% of new entrants submit either a GMAT or GRE score. U.S. News says that is because the lack of data for 25% of students or more "likely means the standardized test score is not representative of the entire class." Standardized test scores, of course, are also a sign of the quality of a school's class. Not requiring the test for admission signals that the overall quality of an incoming class could be suspect. These scores have a weight of 10% in U.S. News' rankings formula.

144. In penalizing TEMPLE, U.S. News did not address the school's previously reported data that allowed TEMPLE's Online MBA program to attain its No.1 ranking for what would have been four (4) consecutive years.

145. In 2013, TEMPLE reported that 12 of 48 (25%) of the entrants into its Online MBA program submitted a GMAT, with an average score of 619. None of the applicants, according to TEMPLE, provided a GRE score.

146. One year later, in 2014, TEMPLE reported dramatically different numbers. TEMPLE reported that 100% of its new students [70], submitted a GMAT score with an average score of 638.

147. TEMPLE reported a 100% rate of GMAT compliance for four (4) years in a row, [2014-2017] during which time it achieved a No. 1 Online MBA ranking by U.S. News.

148. It has been reported in the media that rival school administrators have long been suspicious of TEMPLE'S claims that 100% of its students have taken the GMAT for four (4) consecutive years. This is especially true because TEMPLE'S Website indicates that the school will waive such requirement if the candidate (a) possesses "managerial level experience;" or (b) has an undergraduate degree from an AACSB accredited college or (c) has at least 7 years of work experience and a 3.0 undergraduate point average; or (d) possesses a JD, MD or PhD.

149. The misreported data resulted in TEMPLE'S numerical rank being higher than it otherwise would have been in the overall Best Online MBA Programs rankings and the Best Online MBA Programs for Veterans rankings.

150. Because of the misrepresentations/discrepancies, U.S. News has moved TEMPLE to the "Unranked" category in the Best Online MBA Programs rankings and removed the school from the Best Online MBA Programs for Veterans rankings.

151. Schools in the unranked category do not receive numerical ranks from U.S. News and other educational rankings organizations.

152. TEMPLE has also voluntarily asked U.S. News to withdraw the school from its forthcoming rankings on full- and part-time traditional MBA programs.

153. U.S. News has already modified its Website to eliminate any references to TEMPLE'S No. 1 rankings for Online MBA programs from 2015-2018.

154. TEMPLE'S unranked status will last until the 2019 publication of the Best Online MBA Programs rankings, conditional upon TEMPLE confirming the accuracy of its next data submission in accordance with U.S. News' requirements.

155. Other than TEMPLE, in 2018, U.S. News has not modified the ranks of any other programs on usnews.com in the Best Online MBA Programs and Best Online MBA Programs for Veterans rankings.

**EFFECT OF THE SCANDAL ON STUDENTS
ENROLLED IN TEMPLE'S ONLINE MBA PROGRAM**

156. The classic MBA experience is still the gold standard for many applicants because the full-immersion experience is invaluable for the networking

opportunities and alumni connections. Students pursuing their degrees online inevitably give up many benefits offered by full-time programs.

157. Not all hiring managers are familiar with online learning. And, at some larger companies, earning an online degree can make the hiring process more difficult.

158. Despite the research supporting online education, some recruiters and hiring managers still see an online MBA as a second-class credential. In its 2009 Corporate Recruiters Survey, the Graduate Management Admission Council (GMAC), the nonprofit organization that administers the GMAT, reported that only 9 percent of companies surveyed actively recruit candidates from online MBA programs, as opposed to the 77 percent that pursue full-time MBA grads. Gail Dundas, a spokesperson for Intel Corp., captures the prejudice in an e-mail: “We target hiring from top-tier MBA universities, and online degrees do not tend to be in the top tier.”

159. Recruiters say most employers accept job candidates' online MBAs from respected schools, especially now that the quality of an online MBA education at many institutions is equivalent to one on a physical campus. But in some cases, experts say, there's still the need to educate companies about the legitimacy of many online programs. Employers are often more critical of online, for-profit schools than of online programs offered by nonprofit schools.

160. But recruiters, who are more apt to weigh the reputation of the school than the way the MBA is delivered, aren't necessarily prioritizing skills that MBA students develop online, says Brad Remillard, cofounder and executive recruiter at IMPACT Hiring Solutions Executive Search in Orange County, Fla.

161. "For me as a recruiter and for my clients, it really depends more on the school than the online [delivery]," says Remillard, who writes a weekly job advice column for the Orange County Register and is the author of two books on hiring.

162. But despite their lack of enthusiasm for online MBA programs, hiring managers understand that online courses from top programs, such as Harvard Business School, are credible, according to Remillard. "If Harvard puts this on, it's probably a high-quality program," he says.

163. Stephen Joel Trachtenberg, former president of George Washington University and a consultant at the executive recruiting firm Korn/Ferry International, agrees that schools' reputations matter. Still, an online MBA degree is better than no MBA, Trachtenberg says, particularly in government and military roles, where hiring managers care more about applicants having a master's degree than they do about the subject of the degree or where it is obtained.

164. The subject scandal has raised grave concerns about the integrity of TEMPLE'S Administration and will have a long reaching negative impact on school's reputation, prestige and peer ratings.

165. TEMPLE has engaged Jones Day, a global law firm, to conduct a comprehensive review of “the Fox School’s ranking data and processes.”

166. Jones Day had been hired by Tulane University after U.S. News kicked out its Freeman School of Business for a similar reporting error in 2013. Tulane admitted that it inflated average GMAT scores reported to U.S. News by an average of 35 points for consecutive five years from 2007 through 2011. Freeman also conceded that it had falsely increased the number of completed applications it received by an average of 116 applications over the same time period.

CLASS ACTION ALLEGATIONS

167. This action is brought and may be properly maintained as a Class action pursuant to The Class Action Fairness Act, 28 U.S.C. § 1332.

168. This action has been brought and may properly be maintained as a class action against TEMPLE pursuant to the provisions of Rule 23 of the Federal Rule of Civil Procedure, because there is a well-defined community of interest in the litigation and the proposed Class is easily ascertainable.

169. Plaintiffs bring this action individually and on behalf of all others similarly situated, and seeks certification of a Class, defined as:

All persons who enrolled as students in TEMPLE’S Fox School of Business and Management’s Online MBA program, between 2015 and the present.

170. The following are excluded from the Class: TEMPLE, by its affiliates, employees, officers and directors; heirs, successors and their assigns of any such

person or entity, together with any immediate family member of any officers, directors, employee of said persons and/or entities. persons or entities that distribute or sell TEMPLE products or programs, the Judge(s) assigned to this case, and the attorneys of record in this case. Plaintiffs reserve the right to amend the Class definition if discovery and further investigation reveal that the Class should be expanded or otherwise modified.

171. The proposed Class Period is the time beginning three (3) years prior to the date of filing of this Class Action Complaint and extending to the date of prospective entry of Judgment for the Class.

172. Plaintiffs do not know the exact size of the class, but it is reasonably estimated that the Class is composed of at least 550 persons. While the identities of Class members are unknown at this time, this information can be readily ascertained through appropriate discovery of the records maintained by TEMPLE.

173. This action is properly brought as a class action because the proposed Class is so numerous and geographically dispersed throughout the United States that the joinder of all Class Members is impracticable.

174. This action is properly brought as a class action because the disposition of Plaintiffs' and proposed Class Members' claims in a class action will provide substantial benefits to both the parties and the Court:

175. This action is properly brought as a class action because the proposed Class is ascertainable and there is a well-defined community of interest in the questions of

law or fact alleged herein since the rights of each proposed Class Member were infringed or violated in the same fashion.

176. This action is properly brought as a class action because there are questions of law and fact common to the proposed Class which predominate over any questions that may affect particular Class Members.

177. Such common questions of law and fact include but are not limited to:

- (i) Whether TEMPLE breached its educational contract with Plaintiffs and members of the Class;
- (ii) Whether TEMPLE was unjustly enriched by its wrongful acts and conduct;
- (iii) Whether Plaintiffs and Class Members have been harmed and the proper measure of relief;
- (iv) Whether Plaintiffs and Class Members are entitled to an award of attorneys' fees and expenses; and
- (v) Whether, Plaintiffs and Class Members are entitled to equitable relief, and if so, the nature of such relief.

178. Plaintiffs' claims are typical of the claims of the members of the proposed Class. Plaintiffs and Class Members have been injured by the same wrongful practices of TEMPLE. Plaintiffs' claims arise from the same practices and conduct that give rise to the claims of all Class Members and are based on the same legal theories;

179. Plaintiffs will fairly and adequately protect the interests of the Class

in that they have no interests antagonistic to those of the other Class Members, and Plaintiffs have retained attorneys experienced in consumer class actions and complex litigation as counsel.

180. A class action is superior to other available methods for the fair and efficient adjudication of this controversy for at least the following reasons:

(i) Given the size of individual Class Member's claims and the expense of litigating those claims, few, if any, Class Members could afford to or would seek legal redress individually for the wrongs Defendant committed against them and absent Class Members have no substantial interest in individually controlling the prosecution of individual actions;

(ii) This action will promote an orderly and expeditious administration and adjudication of the proposed Class claims, economies of time, effort and resources will be fostered, and uniformity of decisions will be insured;

(iii) Without a class action, Class Members will continue to suffer damages, and TEMPLE'S violations of law will proceed without remedy while Defendant continues to reap and retain the proceeds of its wrongful conduct; and

(iv) Plaintiffs are not aware of any difficulty that will be encountered in the management of this litigation which would preclude class certification.

181. TEMPLE, by its agents, servants and employees has access to address and contact information for the Class Members, which may be used for the purpose of providing notice of the class action.

182. Plaintiffs seek damages and equitable relief on behalf of the Class on grounds generally applicable to the entire proposed Class.

183. A Class action is a superior and cost-effective method for the fair and efficient adjudication of the present controversy and there would accrue enormous savings to both the Courts and the Class in litigating the common issues on a class wide, instead of on a repetitive individual basis.

184. The prosecution of separate actions by individual members of the Class would run the risk of inconsistent or varying adjudications, which would (a) establish incompatible standards of conduct of Defendant in this action and (b) create the risk that adjudications with respect to individual members of the Class would, as a practical matter, be dispositive of the interests of the other members not parties to the adjudications or substantially impair or impede their ability to protect their interests. Prosecution as a class action will eliminate the possibility of repetitious litigation.

FIRST COUNT
(Individual and Class Breach of Contract)

185. Plaintiffs re-allege and incorporate by reference each of the allegations contained in the preceding paragraphs above, as if fully set forth herein.

186. The law recognizes that there is an educational contractual relationship between student and college, university or trade school.

187. Each Plaintiff accepted TEMPLE'S offer to provide certification leading to an Online MBA Degree and entered into an agreement to attend TEMPLE'S Fox Business School in exchange for the payment of agreed upon tuition and fees.

188. TEMPLE agreed to provide each Plaintiff with the necessary course work, instruction and training, in a specified time frame, whereby each Plaintiff would be eligible to earn certification for an Online MBA degree, upon their successful completion of required courses.

189. The subject contract imposed upon each party a duty of good faith and fair dealing in its performance and its enforcement, by embracing a pledge that neither party shall do anything which will have the effect of destroying or injuring the right of the other party to receive the fruits of the contract.

190. Plaintiffs and members of the Class performed their obligations under the contract and complied with their duty of good faith and fair dealing.

191. TEMPLE had a duty of good faith and fair dealing not to take opportunistic advantage of the Plaintiffs and members of the Class in a way that could not have been contemplated at the time of entering into the contract.

192. TEMPLE breached this duty of good faith and fair dealing.

193. TEMPLE had a duty of good faith and fair dealing to act in accordance with the agreed common purpose and consistent with the justified expectations of the other party [Plaintiffs and members of the Class].

194. TEMPLE breached this duty of good faith and fair dealing.

195. TEMPLE breached its educational agreement with each Plaintiff and members of the Class by misreporting data to educational ranking organizations that were used to calculate the Best Online MBA Programs.

196. TEMPLE breached its educational agreement with each Plaintiff and members of the Class by representing to U.S. News and other educational ranking services that its Online MBA program possessed certain characteristics, qualifications, requirements, benefits, and levels of attainment that were known not to actually exist at the time reported.

197. Plaintiffs and members of the Class reasonably relied upon the fact that TEMPLE would truthfully and accurately submit information and critical data to U.S. News and other organizations that ranked U.S Online MBA programs.

198. Plaintiffs and members of the Class had no means of knowing or learning that TEMPLE was engaged in misreporting data to educational ranking organizations that were used to calculate the Best Online MBA Programs.

199. If Plaintiffs and/or members of the Class had knowledge of TEMPLE'S misreporting of data and deceptive practices described herein, they would not have applied for admission to TEMPLE'S Online MBA program.

200. If Plaintiffs and/or members of the Class had knowledge of TEMPLE'S misreporting of data and deceptive practices described herein, they would not have agreed to pay premiums for tuition, fees and costs based, in material part, upon TEMPLE being ranked by U.S. News as the No.1 Online MBA program.

201. TEMPLE'S above described breaches of the educational agreement, have raised grave concerns about the value and legitimacy of a TEMPLE Online MBA degree.

202. TEMPLE'S above described breaches of the educational agreement, have raised grave concerns about the integrity of TEMPLE'S Administration and the long-range impact on school's reputation, prestige and peer ratings.

203. By reason of TEMPLE'S above described breaches of the educational agreement, Plaintiffs and members of the class have been damaged and sustained pecuniary injury.

204. By reason of TEMPLE'S above described breaches of the educational agreement, Plaintiffs and members of the class have sustained damages for loss of the benefit of the bargain, equal to what Plaintiffs would have received, if the representations underlying TEMPLE'S No.1 Online MBA ranking, had been true.

205. By reason of TEMPLE'S above described breaches of the educational agreement, Plaintiff and members of the class has sustained out of pocket damages for the incremental difference between the tuition and fees TEMPLE actually charged to Plaintiffs and members of the Class, and the amount of tuition and fees they would have paid had they enrolled in other online MBA programs.

206. By reason of TEMPLE'S above described breaches of the educational agreement, Plaintiff and members of the class has sustained consequential damages in the nature of application fees, transaction fees and interest charges in connection with the student loans.

207. By reason of TEMPLE'S above described breaches of the educational agreement, Plaintiffs and members of the class have sustained consequential

damages in the nature of the costs incurred for Fox Online MBA course related books and online subscriptions.

208. By reason of TEMPLE'S above described breaches of the educational agreement, Plaintiff and members of the class has sustained consequential damages in the nature of expenses incurred for airfare, transportation and meals in connection with TEMPLE Fox Business School's mandatory one (1) week residency program first semester study.

209. By reason of TEMPLE'S above described breaches of the educational agreement, Plaintiffs and members of the class have sustained consequential damages expenses incurred for online proctor testing fees.

210. By reason of TEMPLE'S above described breaches of the educational agreement, Plaintiffs and members of the class have sustained consequential damages expenses incurred for fees and trip expenses for immersion programs in foreign countries.

211. As a proximate result of the above described breaches of the educational agreement, TEMPLE is liable to Plaintiffs and Class members for reasonable attorney's fees and the costs of this litigation.

SECOND COUNT
(Individual and Class Unjust Enrichment)

212. Plaintiffs incorporate by reference, each of the allegations contained in the preceding paragraphs above, as if fully set forth herein.

213. At all relevant times, TEMPLE knew that the misreporting of critical data to U.S News and other ranking organizations was necessary for it to retain its No.1 U.S. News ranking for Online MBA programs.

214. TEMPLE knew that its No.1 ranking from U.S. News provided significant leverage to enable the school to increase enrollment in its online MBA offering.

215. TEMPLE knew that its No.1 ranking from U.S. News provided significant leverage to enable the school to increase tuition rates and fees for its online MBA offering.

216. TEMPLE knew that its failure to achieve No.1 ranking from U.S. News was likely to make a difference in the purchasing decisions of prospective applicants to TEMPLE'S Online MBA program.

217. The deciding factor for each Plaintiff, in enrolling at TEMPLE, was the prestige associated with its No.1 online MBA ranking for consecutive years.

218. Plaintiffs and members of the Class paid a premium for tuition and other fees to attend a nationally top ranked No.1 Online MBA program and did not receive what they bargained for.

219. TEMPLE'S actions and conduct, as described herein was immoral, unethical, and unscrupulous.

220. As a result of the foregoing, TEMPLE was enriched, at Plaintiffs' expense, by TEMPLE'S wrongful conduct and actions, and accordingly, it is against equity and good conscience to permit TEMPLE to retain such enrichment.

221. TEMPLE is required to make restitution to Plaintiffs and members of the Class.

222. It would be inequitable and unjust for TEMPLE to retain the benefits without payment of value to Plaintiffs and members of the Class.

223. By reason of the foregoing, Plaintiffs and members of the Class have sustained damages in an amount to be determined at trial.

THIRD COUNT
(Individual Consumer Protection Law Claims)

224. Plaintiffs incorporate by reference, each of the allegations contained in the preceding paragraphs above, as if fully set forth herein.

225. TEMPLE is in the business of marketing and delivering educational services and Degrees to the general public.

226. Plaintiffs, as students, are consumers of educational services.

227. TEMPLE, an educational institution, is subject to the same laws, both statutory and common law, that govern other purveyors of goods and services in Pennsylvania.

228. The Pennsylvania Unfair Trade Practices and Consumer Protection Law, (“CPL”) defines “unfair or deceptive acts or practices” by listing twenty (20) specific examples and then including a “Catchall” definition barring “any other fraudulent or deceptive conduct which creates a likelihood of confusion or misunderstanding.” 73 P.S. § 201-2(4).

229. TEMPLE violated the CPL by engaging in unfair methods of competition” and “unfair or deceptive acts or practices,” specifically proscribed by the statute, affecting transactions with each Plaintiff.

230. TEMPLE violated CPL § 201-2 (4)(ii) by causing likelihood of confusion or of misunderstanding to each Plaintiff, as to the legitimacy of its Online MBA program.

231. TEMPLE violated CPL § 201-2 (4)(iii) by causing likelihood of confusion or of misunderstanding to each Plaintiff as to the validity of its certification and No.1 ranking of its Online MBA program by the U.S. News and other educational ranking services.

232. TEMPLE violated CPL § 201-2 (4)(v) by representing to U.S. News and other educational ranking services that its Online MBA program possessed certain characteristics, qualifications, requirements, benefits, and levels of attainment that were known not to actually exist at the time reported.

233. TEMPLE violated CPL § 201-2 (4)(vii) by representing that its Online MBA program was of a particular standard, quality or grade, under circumstances in which it knew that such representations and reporting were not true at the time made to U.S. Online MBA ranking organizations.

234. At all relevant times, TEMPLE knew that its Online MBA program’s No. 1 ranking by U.S. News, was a false representation of fact, based upon lies and fabricated data provided by TEMPLE.

235. At all relevant times, TEMPLE knew that its Online MBA program's No. 1 ranking by U.S. News, was based upon misreported data and deceptive reporting practices it employed.

236. TEMPLE'S unfair competition and deceptive practices, as described above, actually deceived or had the tendency to deceive a substantial segment of its Online MBA student body, including Plaintiffs.

237. At all relevant times, TEMPLE knew that the false representations it made and the misreporting of critical data to U.S News and other ranking organizations was necessary for it to retain its No.1 U.S. News ranking for Online MBA programs.

238. TEMPLE knew that its No.1 ranking from U.S. News provided significant leverage to enable the school to increase enrollment in its online MBA offering.

239. TEMPLE knew that its failure to achieve No.1 ranking from U.S. News was likely to make a difference in the purchasing decisions of prospective applicants to TEMPLE'S Online MBA program.

240. Plaintiffs reasonably relied upon the fact that TEMPLE would truthfully and accurately submit information and critical data to U.S. News and other organizations that ranked U.S Online MBA programs.

241. Plaintiffs had no means of knowing or learning that TEMPLE was engaged in the unfair methods of competition and deceptive acts or practices described herein.

242. If Plaintiffs had knowledge of TEMPLE'S unfair methods of competition and deceptive acts or practices described herein, they would not have applied for admission to TEMPLE'S Online MBA program.

243. Plaintiff relied upon the apparent legitimacy of TEMPLE'S Online MBA program, to their pecuniary detriment and irreparable damage to their educational pedigree.

244. TEMPLE'S CPL violations, as described herein were immoral, unethical, and unscrupulous.

245. TEMPLE'S CPL violations, as described herein, have directly caused each Plaintiff to have suffered ascertainable loss, due to the CPL violations alleged.

246. TEMPLE'S CPL violations, as described herein, have directly caused each Plaintiff to have suffered loss of the benefit of the bargain, equal to what Plaintiffs would have received, if the representations underlying TEMPLE'S No.1 Online MBA ranking, had been true.

247. TEMPLE'S CPL violations, as described herein, have directly caused each Plaintiff to have suffered ascertainable loss for damages measured by the incremental difference the tuition and fees TEMPLE actually charged to Plaintiffs and members of the Class, and the amount of tuition and fees they would have paid had they enrolled in other online MBA programs.

248. TEMPLE'S CPL violations, as described herein, have directly caused each Plaintiff to have suffered ascertainable loss in the nature of expenses incurred for application fees, transaction fees and interest charges in connection with the student loans.

249. TEMPLE'S CPL violations, as described herein, have directly caused each Plaintiff to have suffered ascertainable loss in the nature of the costs incurred for Fox Online MBA course related books and online subscriptions.

250. TEMPLE'S CPL violations, as described herein, have directly caused each Plaintiff to have suffered ascertainable loss in the nature of expenses incurred for airfare, transportation and meals in connection with TEMPLE Fox Business School's mandatory one (1) week residency program for first semester study.

251. TEMPLE'S CPL violations, as described herein, have directly caused each Plaintiff to have suffered ascertainable loss for expenses incurred for online proctor testing fees.

252. TEMPLE'S CPL violations, as described herein, have directly caused each Plaintiff to have suffered ascertainable loss for expenses incurred for fees and trip expenses for immersion programs in foreign countries.

253. Plaintiffs each paid a premium to attend TEMPLE, a purported No.1 ranked Online MBA program and did not receive what they bargained for.

254. The ascertainable loss sustained by each Plaintiff, as a proximate result of TEMPLE'S CPL violations described herein, include perceived diminution in the academic value of a TEMPLE Online MBA degree and reduced opportunities in the workplace for recipients thereof.

255. As a proximate result of TEMPLE'S continuing CPL violations, TEMPLE is liable to each Plaintiff for compensatory damages.

256. As a proximate result of TEMPLE'S continuing CPL violations, TEMPLE is liable to each Plaintiff for consequential damages.

257. As a proximate result of TEMPLE'S continuing CPL violations, TEMPLE is liable to Plaintiff for punitive damages.

258. As a proximate result of TEMPLE'S continuing CPL violations, TEMPLE is liable to each Plaintiff for reasonable attorney's fees and the costs of this litigation.

259. Plaintiffs are entitled to injunctive and other equitable relief, enjoining TEMPLE'S continuing CPL violations, as alleged herein.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, Individually and on behalf of all others similarly situated, pray for Judgment as follows:

- (a) Certifying this case as a Class Action, with Plaintiffs as Class representatives and their attorneys as Class counsel;
- (b) Awarding Judgment to Plaintiffs and members of the Class for all available monetary damages and other relief under the FIRST COUNT asserted;
- (c) Awarding Judgment to Plaintiffs and members of the Class for all available monetary damages and other relief under the SECOND COUNT asserted;
- (d) Awarding Judgment to Plaintiffs all available monetary damages and other relief under the THIRD COUNT asserted;
- (e) Awarding Plaintiffs and members of the Class their costs and disbursements, including reasonable attorney's fees;
- (f) Awarding Plaintiffs and members of the Class pre-judgment and post-judgment interest;

(g) Granting such other and further relief as may be deemed just and proper in the premises.

Dated: May 3, 2018

RESPECTFULLY SUBMITTED,

By: /s/ Jason T. Brown
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CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing document was served upon all parties and/or attorneys of record to the above cause herein at their respective addresses as disclosed on the pleadings on May 3, 2018 via:

U.S. MAIL

FACSIMILE

ECF FILING

HAND DELIVERY

E-MAIL

FEDERAL EXPRESS

By: /s Jason T. Brown

Jason T. Brown