

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN

ANDREW SMITH, ANDREW LAPORTE,
JASON LOWE, CRAIG POTTER,
and THOMAS SPRADER,
individually and on behalf
of a class of similarly situated enrolled persons,
JOHN MAHER and ELIZABETH SPAFFORD,
individually and on behalf of a class of
similarly situated graduates, and DAVID
AYOTTE, MICHAEL CHUNN,
JASON COLTER, LORNE COUCH,
ALEX FERGUSON, JASON FRANS,
AMY GAMBLE, JAMES MARSHALL,
DENNIS PARKER, DAVID RHEAD,
ALDIN SABANOVSKI, BRUCE VANG,
MEHMED VOJNIKOVIC, NATHAN
WADDELL, and SENAD ZUKIC,
individually;

Case No. 2:10-cv-11490

Plaintiffs,

Hon. Victoria A. Roberts

v.

CLASS ACTION COMPLAINT

COMPUTERTRAINING.COM INC,
COMPUTERTRAINING.EDU, LLC (f/k/a
COMPUTERTRAINING.COM, LLC)
CTCI CORP and SALLIE MAE, INC.

Defendants.

SECOND AMENDED CLASS ACTION COMPLAINT AND JURY DEMAND

Plaintiffs Andrew Smith, Andrew Laporte, Jason Lowe, Craig Potter, and Thomas Sprader,
individually and on behalf of the class of those similarly situated students in the “Enrolled Class,”
Plaintiffs John Maher and Elizabeth Spafford, individually and on behalf of the class of similarly
situated students in the “Graduate Class” (collectively “Representative Plaintiffs”), and Plaintiffs
David Ayotte, Michael Chunn, Jason Colter, Lorne Couch, Alex Ferguson, Jason Frans, Amy

Gamble, James Marshall, Dennis Parker, David Rhead, Aldin Sabanovski, Bruce Vang, Mehmed Vojnikovic, Nathan Waddell, and Senad Zukic, individually, by and through their attorneys, The Googasian Firm, P.C., allege as follows:

NATURE OF ACTION

1. This is a class action seeking damages and other remedies for Plaintiffs and two classes of similarly situated individuals. The “Enrolled Class” is a class comprised of students who were enrolled in computer training programs at ComputerTraining.edu schools operated at locations in Michigan and at least 13 other states by Defendants CTCL, Corp, ComputerTraining.edu, LLC and/or ComputerTraining.com, Inc. (collectively, “ComputerTraining Defendants”) as of the time the schools closed on December 31, 2009. The “Graduate Class” is comprised of students who had completed a computer training program at a ComputerTraining.edu school but, when the schools closed, were denied the continuing placement services they were promised.¹

2. The ComputerTraining Defendants operated a for-profit business selling high-priced educational programs to adults seeking to better themselves and attain jobs in information technology.

3. Via widespread marketing efforts on radio, television and the Internet, the Computer Training Defendants purported to offer six-month programs that, though costing as much as \$28,000 or more, provided a means for Plaintiffs and the Class to become Microsoft-certified computer technicians and receive continuing placement services in the field of information technology.

4. This civil action arises from the ComputerTraining Defendants’ sudden closure of

¹The Enrolled Class and the Graduate Class will be referred to collectively as the “Class.”

their schools in Michigan and 13 other states in late December 2009, after collecting millions of dollars in tuition from Plaintiffs and the Class for six-month training programs and continuing placement services that the closure precluded Plaintiffs from receiving.

5. Since the abrupt closure of all the ComputerTraining.edu schools across the nation, the ComputerTraining Defendants have failed to pay a penny back to Plaintiffs and the Class.

6. Plaintiffs assert negligence and other claims against the ComputerTraining Defendants, and seek compensation for Plaintiffs' loss of opportunity, wages and time as well as the tuition amounts paid, among other damages.

PARTIES, JURISDICTION AND VENUE

8. At all relevant times, Plaintiff Andrew Smith was a citizen of Michigan.
9. At all relevant times, Plaintiff Andrew Laporte was a citizen of Michigan.
10. At all relevant times, Plaintiff Jason Lowe was a citizen of Michigan.
11. At all relevant times, Plaintiff Craig Potter was a citizen of Michigan.
12. At all relevant times, Plaintiff Thomas Sprader was a citizen of Michigan.
13. At all relevant times, Plaintiff John Maher was a citizen of Michigan.
14. At all relevant times, Plaintiff Elizabeth Spafford was a citizen of Michigan.
15. At all relevant times, Plaintiff David Ayotte was a citizen of Michigan.
16. At all relevant times, Plaintiff Michael Chunn was a citizen of Michigan.
17. At all relevant times, Plaintiff Lorne Couch was a citizen of Indiana.
18. At all relevant times, Plaintiff Jason Colter was a citizen of Michigan.
19. At all relevant times, Plaintiff Alex Ferguson was a citizen of Michigan.
20. At all relevant times, Plaintiff Amy Gamble was a citizen of Kansas.

21. At all relevant times, Plaintiff Jason Frans was a citizen of Michigan.
22. At all relevant times, Plaintiff James Marshall was a citizen of Michigan.
23. At all relevant times, Plaintiff Dennis Parker was a citizen of Michigan.
24. At all relevant times, Plaintiff David Rhead was a citizen of Michigan.
25. At all relevant times, Plaintiff Aldin Sabanovski was a citizen of Michigan.
26. At all relevant times, Plaintiff Bruce Vang was a citizen of Michigan.
27. At all relevant times, Plaintiff Mehmed Vojnikovic was a citizen of Michigan.
28. At all relevant times, Plaintiff Nathan Waddell was a citizen of Michigan.
29. At all relevant times, Plaintiff Senad Zukic was a citizen of Michigan.
30. At all relevant times, Defendant ComputerTraining.com, Inc, was a Maryland corporation with its principal place of business located at 11350 McCormick Road, Suite 600, Hunt Valley, Maryland 21031.
31. At all relevant times, ComputerTraining.edu, LLC was a Maryland corporation with its principal place of business located at 11350 McCormick Road, Suite 600, Hunt Valley, Maryland, 21031. ComputerTraining.edu, LLC was formerly known as ComputerTraining.com, LLC.
32. At all relevant times, CTCI Corp., was a Maryland corporation with its principal place of business located at 11350 McCormick Road, Suite 600, Hunt Valley, Maryland, 21301.
33. At all relevant times, CTCI Corp. owned 100% of the stock of ComputerTraining.edu.
34. Upon information and belief, CTCI Corp was owned in whole or in substantial part by David L. Rau and Michelle Rau.
35. The Computer Training Defendants advertised and operated their school in no fewer than 14 states across the country through radio and television ads as well as via an interactive

website located initially at www.computertraining.com and later at www.computertraining.edu.

36. At all relevant times, Defendant Sallie Mae, Inc. ("Sallie Mae") was a corporation headquartered in Reston, Virginia that loaned the vast majority of class members, including most Plaintiffs, funds to pay their tuition at the ComputerTraining Schools.

37. Plaintiffs are members of one of two classes of similarly situated persons who were enrolled as students at a ComputerTraining School, as well as all persons who co-signed a loan to pay the ComputerTraining tuition for any such student.

38. This Court has original jurisdiction over this action pursuant to 28 U.S.C. § 1331 and 28 U.S.C. §1332(d).

39. Venue exists pursuant to 28 U.S.C. § 1391(a).

40. The amount in controversy exceeds \$5,000,000 exclusive of interest and costs.

Class Action Allegations –Enrolled Class

41. Plaintiffs hereby incorporate by reference the preceding allegations.

42. Representative Plaintiffs of the Enrolled Class Andrew Smith, Andrew Laporte, Jason Lowe, Craig Potter, and Thomas Sprader, bring this lawsuit as a class action pursuant to Federal Rules of Civil Procedure, Rules 23(b)(2) and (3), on behalf of an Enrolled Class defined as:

All individuals who were enrolled at ComputerTraining as of December 31, 2009, and all individuals who co-signed or otherwise guaranteed or became liable for a loan to pay the ComputerTraining tuition for any such individual.

43. Representative Plaintiffs of the Enrolled Class each paid the ComputerTraining Defendants at least \$13,500 in tuition for a six-month computer training program.

44. The ComputerTraining Defendants represented to the Representative Plaintiffs of the Enrolled Class and the Class that each student would receive six months or more of comprehensive

computer training through which the students could earn a credential from ComputerTraining along with no fewer than four Microsoft certifications.

45. The ComputerTraining Defendants represented to the Representative Plaintiffs of the Enrolled Class and the Class that they would receive continuing placement services during and after the computer training program.

46. The ComputerTraining Defendants provided Representative Plaintiffs of the Enrolled Class and the Enrolled Class with a course catalog at the time of enrollment that stated, in part, that the students would receive a full and complete refund of all tuition paid if the school closed before the student completed the training.

47. The Enrolled Class includes all students who, like Representative Plaintiffs of the Enrolled Class, were enrolled at a ComputerTraining school on December 31, 2009, when the school abruptly closed.

48. On information and belief, the Enrolled Class includes thousands of similarly situated persons in at least 14 states.

49. The Enrolled Class is so numerous that joinder of all members is impracticable.

50. There are questions of law or fact common to the members of the Enrolled Class that predominate over questions affecting only individual members and a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

51. The claims of Representative Plaintiffs of the Enrolled Class are typical of the claims of the other members of the Class.

52. The Representative Plaintiffs of the Enrolled Class will fairly and adequately assert and protect the interests of the Class.

53. The maintenance of the action as a class action will be superior to other available methods of adjudication in promoting the convenient administration of justice.

Class Action Allegations – Graduate Class

54. Plaintiffs hereby incorporate by reference the preceding allegations.

55. Representative Graduate Class Plaintiffs John Maher and Elizabeth Spafford, bring this lawsuit as a class action pursuant to Federal Rules of Civil Procedure, Rules 23(b)(2) and (3), on behalf of a Graduate Class defined as:

All individuals who completed a training program at ComputerTraining prior to December 31, 2009, and all individuals who co-signed or otherwise guaranteed or became liable for a loan to pay the ComputerTraining tuition for any such individual.

56. Representative Plaintiffs of the Graduate Class each paid the ComputerTraining Defendants at least \$28,000 in tuition for a six-month computer training program.

57. The ComputerTraining Defendants represented to the Representative Plaintiffs of the Graduate Class and to the Class that they would receive continuing placement services during and after the computer training program.

58. Due to the closure of the schools, the Representative Plaintiffs of the Graduate Class are not able to obtain the continuing placement benefits they were promised.

59. On information and belief, the Graduate Class includes thousands of similarly situated persons in at least 14 states.

60. The Graduate Class is so numerous that joinder of all members is impracticable.

61. There are questions of law or fact common to the members of the Graduate Class that predominate over questions affecting only individual members and a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

62. The claims of Representative Graduate Class Plaintiffs are typical of the claims of the other members of the Graduate Class.

63. The Representative Graduate Class Plaintiffs will fairly and adequately assert and protect the interests of the Graduate Class.

64. The maintenance of the action as a class action will be superior to other available methods of adjudication in promoting the convenient administration of justice.

General Allegations regarding Computer Training

**The Computer Training Defendants Represented
That They Provided Superior Education And Continuing Placement Services
To Adults Seeking To Enter The IT Field**

65. Plaintiffs incorporate by reference the preceding allegations.

66. The Computer Training Defendants ran a for-profit business in which they sold expensive, six-month education programs by holding themselves out as offering computer training that provided superior education and continuing placement services to adults seeking to enter the field of information technology.

67. The Computer Training Defendants told prospective students that their schools comprised “one of the nation’s most successful educational institutions.”

68. The Computer Training Defendants told prospective students, “Our mission is to provide world-class information technology training, and the purpose of that is to get our students jobs.”

69. The Computer Training Defendants told prospective students that the students at their schools “get the real-world education they need, plus the commitment of our career services professionals to help ensure long-term success in the IT industry.”

70. The ComputerTraining Defendants told prospective students that the “primary mission of career services is to ensure that all of our graduates are employed in the IT field.”

71. The ComputerTraining Defendants stated that the tuition paid by their students included “exclusive access to our on-campus career services dedicated to preparing our students for a quick successful entry into the job market.”

72. The ComputerTraining Defendants stated that students at their schools worked one-on-one with placement directors to dramatically increase employment prospects and preparation for the job market.

73. The ComputerTraining Defendants stated that their career services department was constantly working to build relationships with some of the most prestigious local, regional and national technology-related companies to ensure that students at their schools had opportunities with companies that interested them and optimal choices in making career decisions in the field of information technology.

74. The ComputerTraining Defendants stated that the relationships that they had with companies that had IT-related needs increased the number of quality job search prospects for the students at their schools.

75. The ComputerTraining Defendants told prospective students that placement services at their schools were perpetual and available for the student’s “lifetime.” For example, the ComputerTraining Defendants stated, “If a student has been out in the field for several years and they decide that they would like to look for something else, they are eligible to come back and use our career services at any time at no cost.”

76. In one promotion made and distributed by the ComputerTraining Defendants to

prospective students, an announcer stated: "It's the first day of a fresh new start, a new career in information technology, IT – a fast growing industry with an exciting future. . . . It means job security, an increase in salary and benefits. It means success. It's the culmination of a journey that began here, in the classrooms of ComputerTraining.com."

77. In another promotion directed to prospective students, the ComputerTraining Defendants asked, "Why stay stuck in a dead end career? Why waste time in a low paying job? Why not make the salary you deserve in the career you chose? In six months, ComputerTraining.com can help you earn your Microsoft certification – your ticket to getting a new job as an IT professional"

78. The ComputerTraining Defendants' director of accreditation and licensing, Donna Hutchison, told others that "a significant number of our graduates double their salaries within a year. And that is truly exciting."

79. The ComputerTraining Defendants' chief operating officer, Gerald P. Collins, told others, "There is absolutely no better way to become an IT professional than to take our courses at ComputerTraining.com and to experience the success and dedication of our instructors."

**Plaintiffs Each Paid Substantial Tuition
For Programs That Were Terminated
By The Computer Training Defendants' Sudden Closure Of The Schools**

80. Each Plaintiff in the Class of similarly situated individuals contracted with the ComputerTraining Defendants to obtain training in an educational program that offered six months of training for Microsoft certifications as well as continuing placement services in the information technology field. Upon information and belief, the members of the Class paid the ComputerTraining Defendants more than \$5 million.

81. Plaintiffs and a class of similarly situated individuals that, upon information and belief, number in the thousands, each sought to better themselves through completion of this educational program advertised and offered by the ComputerTraining Defendants.

82. Plaintiffs and a class of similarly situated individuals each paid the ComputerTraining Defendants between \$13,500 and \$28,500 in tuition for the six-month program in their respective states.

83. The ComputerTraining Defendants repeatedly represented that their expensive training programs – with tuition substantially higher than at other schools offering Microsoft certification programs – included superior, continuing placement services in the field of information technology.

84. The ComputerTraining Defendants required payment in advance from all students, except for those who financed their education through Sallie Mae, Defendants' preferred lender, who were permitted to pay half the tuition in advance and half at a later date.

85. Just days before closing their schools in late December 2009, the ComputerTraining Defendants, on information and belief, siphoned massive amounts of student loan funds from accounts their students had with Sallie Mae and other loan companies, lenders and sources.

86. On or about December 31, 2009, the ComputerTraining Defendants summarily informed Plaintiffs by e-mail that ComputerTraining was closing.

87. At that time, all ComputerTraining schools across the country locked their doors and stopped teaching or communicating with students, leaving enrolled students with partially completed educations, massive student loan debt, and nothing to show for the time and money they had invested. The closure left graduates without the ability to access the continuing placement services

they had paid for.

88. The ComputerTraining Defendants have not refunded any money or otherwise compensated Plaintiffs and the class of similarly situated persons since shuttering the schools.

89. Due to negligence and other acts, the ComputerTraining Defendants made numerous misrepresentations, enrolled thousands of students, and obtained millions of dollars at a time when they knew or should have known that the schools would not be providing students with the education and placement services for which they were paying.

**The ComputerTraining Defendants Systematically Marketed And Sold
The Same Program To Adults
At ComputerTraining Schools In 14 States**

90. The ComputerTraining Defendants systematically marketed and sold the same program to adults at ComputerTraining schools across the United States.

91. The ComputerTraining Defendants operated substantially identical schools with substantially identical programs in at least 14 states, including Delaware, Georgia, Illinois, Indiana, Kansas, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Ohio, Pennsylvania, Virginia, and Wisconsin.

92. The ComputerTraining Defendants systematically advertised their schools through radio and television ads as well as via an interactive website located initially at www.computertraining.com and later at www.computertraining.edu.

93. The ComputerTraining Defendants systematically utilized an interactive website to attract customers and the website was the primary means by which Defendants gained access to students.

94. Internet Protocol “whois” information for www.computertraining.com demonstrates

that the domain name was registered by Defendant ComputerTraining.com, LLC, and the site was hosted on servers operated by computertraining.com.

95. Internet Protocol “whois” information for www.computertraining.edu demonstrates that the domain name was registered by Defendant ComputerTraining.com, LLC., and the site was hosted on servers operated by computertraining.com.

96. The ComputerTraining Defendants’ advertising and website encouraged prospective students to provide contact information and to take an online skills test purportedly to determine whether the prospective students were qualified to participate in the educational program.

97. Following completion of the online skills test at www.computertraining.com or www.computertraining.edu, the ComputerTraining Defendants systematically contacted students by phone and e-mail.

98. During the phone and e-mail contacts following completion of the online test on the interactive websites located at www.computertraining.com or www.computertraining.edu, agents or employees of the ComputerTraining Defendants urged students via follow-up telephone calls to visit the nearest ComputerTraining school to consider enrolling.

99. Upon information and belief, the agents or employees of the ComputerTraining Defendants charged with responsibility for following up with prospective students were commissions-based salespersons who were given titles such as “admissions representatives.”

100. During follow-up visits by prospective students at ComputerTraining schools, these salespersons working for the ComputerTraining Defendants encouraged the prospective students to enroll in the six-month program offered by the school that included continuing placement services.

101. The ComputerTraining Defendants presented students with standard and uniform

documents, including a standard enrollment agreement and a standard course catalog, as well as promotional material that was also uniform from school to school.

102. The ComputerTraining Defendants' standard Enrollment Agreement states in part: "If Computertraining closes prior to the completion of your enrolled program, Computertraining shall refund to the Student, if currently enrolled, monies paid by the Student for tuition and fees, or monies for which the Student is liable for tuition and fees, provided that Computertraining will not be liable for any failure of performance under this enrollment Agreement due to causes beyond its control and without its fault or negligence."

103. The ComputerTraining Defendants provided each incoming student with a uniform course catalog.

104. The ComputerTraining Defendants' standard course catalog advised students that they would receive a full refund if the school closed before the course was completed: "If ComputerTraining closes or discontinues the course, it shall refund to each currently enrolled student monies paid by the student for tuition and fees."

105. The ComputerTraining Defendants were aware that virtually all of their students were only able to pay the high cost of their tuition by obtaining one or more student loans, borrowing money from family or friends, or tapping into savings, such as IRAs and 401(k) accounts.

106. As a result, the ComputerTraining Defendants established relationships with preferred lenders, including Sallie Mae and the ComputerTraining Defendants' own lender, Branch Banking & Trust Company ("BB&T").

107. The ComputerTraining Defendants steered their students to BB&T and Sallie Mae in order to obtain tuition funds from the students.

108. At the same time they were aware of the Class members' financial inability to pay the tuition and the need for loans to enable students to do so, the ComputerTraining Defendants attempted to make it impossible for these students to pursue claims or otherwise enforce their legal rights against the ComputerTraining Defendants.

109. Specifically, the ComputerTraining Defendants inserted an unconscionable clause in their standard enrollment agreement that would purport to require students from states as far away as Missouri, Georgia, Michigan, Kansas, and other states to arbitrate disputes with the ComputerTraining Defendants in Baltimore, Maryland.

110. This purported Baltimore-only arbitration clause is unconscionable and unenforceable.

111. Another unconscionable provision in the ComputerTraining Defendants' standard enrollment agreement would purport to prevent any student from bringing a representative action or being a part of a class action, and would purport to require each student to arbitrate their claim individually in Baltimore, Maryland, regardless of where the student attended the program.

112. This purported clause also is unconscionable and unenforceable.

113. The ComputerTraining Defendants drafted and inserted these and other provisions into their standard enrollment agreement knowing that virtually all of their students would be financially unable to individually finance and pursue the type of arbitration in Baltimore, Maryland that the agreement purported to impose.

**The ComputerTraining Defendants Created Subsidiaries
That Were Mere Instrumentalities**

114. On information and belief, CTCI was 100% owner of ComputerTraining.com and

ComputerTraining.edu, and it dominated each corporation financially and otherwise such that neither corporation had a separate existence.

115. Together, the ComputerTraining Defendants purported to create a series of separate limited liability companies for the apparent purpose of operating the ComputerTraining schools in various states, but on information and belief, each individual LLC is a mere instrumentality of the ComputerTraining Defendants improperly used to attempt to avoid obligations and shield the ComputerTraining Defendants from liability.

116. The ComputerTraining Defendants dominated these subsidiary LLCs such that each was required to guaranty loans made to ComputerTraining.edu, among other acts.

117. Each subsidiary LLC did not have any day-to-day role managing any of the ComputerTraining schools, which were managed, controlled, operated and run on a day-to-day basis by one or more of the ComputerTraining Defendants only.

118. Each subsidiary LLC shares such a unity of ownership with one or more of the ComputerTraining Defendants so that each has ceased to exist as a separate corporation.

**Faced With Dire Financial Trouble In 2009,
The Computer Defendants Launched An Admissions Push
Despite Knowing That They Could Not Provide What They Were Selling**

119. On information and belief, at least as of early 2009, the ComputerTraining Defendants were aware that their ComputerTraining business was in dire financial trouble.

120. For example, on or about June 4, 2009, David and Michelle Rau, the founders of the ComputerTraining schools and sole or principal shareholders in one or more of the ComputerTraining Defendants, personally guaranteed more than one million dollars in loans made by BB&T to the ComputerTraining Defendants from 2006 to 2008. Upon information and belief,

these personal guarantees were made at the request of BB&T due to severe financial problems with one or more of the ComputerTraining Defendants.

121. As a result, by mid-2009, the ComputerTraining Defendants knew or should have known that the schools were facing serious financial challenges that, if not properly handled, could threaten the schools' ability to provide the six-month educational programs and continuing placement services that were being sold to students.

122. Despite the ComputerTraining Defendants' knowledge of these financial threats by mid-2009, the ComputerTraining Defendants continued to promote their six-month training programs and continuing placement services to Plaintiffs and others.

123. The ComputerTraining Defendants failed to disclose to Plaintiffs the financial difficulties that the ComputerTraining Defendants were encountering or explain how the difficulties could effect the six-month programs and continuing placement services that Plaintiffs were purchasing.

124. The ComputerTraining Defendants failed to take reasonable steps necessary to ensure that they could provide the six-month training programs and continuing placement services that they were selling to Plaintiffs in 2009.

125. The ComputerTraining Defendants committed numerous acts and omissions that breached the duty of reasonable care and the fiduciary duty owed to Plaintiffs, including, but not limited to, by continuing to sell and promote these programs and services to Plaintiffs notwithstanding their acts and omissions with regard to the financial turmoil in 2009 that they were failing to disclose to Plaintiffs.

126. The ComputerTraining Defendants committed numerous acts and omissions in 2009

that precluded them from actually providing the programs and placement services that they sold to Plaintiffs.

127. The Computer Training Defendants concealed these financial difficulties and the risk that they could not provide the program and placement services that they were selling to Plaintiffs and the class of similarly situated individuals seeking to better themselves.

128. Instead, during the second half of 2009, the Computer Training Defendants, on information and belief, began an admissions push that included hiring numerous additional salespeople, increasing the compensation and commissions to such persons, slashing tuition at many schools, and/or enrolling as many students as possible.

129. During the admissions push in late 2009, the Computer Training Defendants knew or should have known that, due to the Computer Training Defendants' financial trouble, the students whom they were enrolling might not receive either the program or the placement services for which they were paying.

130. The Computer Training Defendants made misrepresentations of fact when they enrolled students in a six-month training program knowing that the school might likely be closing before students could complete the program – and after which time the students could no longer receive continuing placement services.

131. The Computer Training Defendants' representations in the enrollment agreement and catalog that students would receive a full refund of their tuition in the event the school closed were false statements at the time they were made.

132. The Computer Training Defendants knew or should have known that the school could be closing because it could not pay its bills, and knew as well that if the school closed because it ran

out of money, there would not be sufficient funds to refund tuition paid or incurred by students enrolled at the time of closing.

133. In addition to the facts misrepresented and concealed in connection with enrolling students, the ComputerTraining Defendants made further misrepresentations of fact in connection with the closing of the school that were designed to mislead students as to the reason the school closed.

134. The ComputerTraining Defendants summarily advised Plaintiffs via e-mail on December 31, 2009 that the schools were closed.

135. The ComputerTraining Defendants stated in a December 31, 2009 communication to Plaintiffs:

On Christmas Eve, Computertraining.edu was shut down by BB&T bank and forced to close all schools and corporate offices with no forewarning or notice to students, creditors, employees, management or shareholders.

Regardless of the fact that there were sufficient funds to do so, BB&T decided not to pay ComputerTraining.Edu employees or keep training centers open to allow enrolled students to complete their schooling. Several attempts have been made by ComputerTraining.edu management to remedy the situation without success.

ComputerTraining.edu is working with Sallie Mae and all State Agencies to ensure that BB&T does the right thing and teaches out the classes and/or guarantees all refunds. Students have lost their education, employees have lost their jobs and shareholders have been bankrupted. None of this was necessary and could have been avoided had BB&T taught out the classes the way that management recommended and had done in the past.

136. The ComputerTraining Defendants locked their doors and refused to teach further classes or comply with their contracts with Plaintiffs as of December 31, 2009.

137. The ComputerTraining Defendants have failed to provide refunds as required by the standard enrollment agreement and the uniform course catalog.

Count I
Negligence

138. Plaintiffs hereby incorporate by reference the preceding allegations.

139. The ComputerTraining Defendants owed Plaintiffs a duty of due care in all aspects of the operation of their school that affected Plaintiffs.

140. The ComputerTraining Defendants breached their duty of due care to Plaintiffs in numerous ways, including but not limited to, by enrolling students and increasing their efforts to enroll students in 2009 when the ComputerTraining Defendants knew or should have known that they were experiencing severe financial difficulties that threatened their ability to provide the education and placement services that they were selling.

WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against the Defendants for whatever damages Plaintiffs are found to be entitled to recover, plus interest, costs and attorney's fees, including, but not limited to, direct damages, incidental damages, consequential damages, exemplary damages, punitive damages, attorneys fees and costs, injunctive relief and any other or further relief the Court deems just.

Count II
Breach of Fiduciary Duty

141. Plaintiffs hereby incorporate by reference the preceding allegations.

142. The ComputerTraining Defendants owed Plaintiffs a fiduciary duty.

143. The ComputerTraining Defendants breached their fiduciary duty to Plaintiffs by, among other things, failing to take steps to safeguard student funds, failing to put tuition collected from Plaintiffs for education and continuing placement services toward securing those services, mismanagement of tuition funds, and failing to reveal to Plaintiffs that the school was in financial

difficulty that threatened their ability to provide the education and placement services they were selling.

WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against the Defendants for whatever damages Plaintiffs are found to be entitled to recover, plus interest, costs and attorney's fees, including, but not limited to, direct damages, incidental damages, consequential damages, exemplary damages, punitive damages, attorneys fees and costs, injunctive relief and any other or further relief the Court deems just.

Count III
Negligent Misrepresentation

144. Plaintiffs hereby incorporate by reference the preceding allegations.

145. The ComputerTraining Defendants negligently made one or more of the false representations alleged above, including but not limited to that the schools would provide Plaintiffs with the entire program for which they were paying, that the schools would offer continuing placement services, and that the schools would refund in full Plaintiffs' tuition in the event the school closed prior to completion of the program.

146. Plaintiffs detrimentally relied on one or more false representations made by the ComputerTraining Defendants.

147. Plaintiffs suffered injury as a result of their reliance on the ComputerTraining Defendants' negligent misrepresentations.

148. Plaintiffs' justifiable reliance was such that the injury they suffered inured to the ComputerTraining Defendants' benefit.

WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against

the Defendants for whatever damages Plaintiffs are found to be entitled to recover, plus interest, costs and attorney's fees, including, but not limited to, direct damages, incidental damages, consequential damages, exemplary damages, punitive damages, attorneys fees and costs, injunctive relief and any other or further relief the Court deems just.

Count IV
Innocent Misrepresentation

149. Plaintiffs hereby incorporate by reference the preceding allegations.

150. Plaintiffs detrimentally relied upon the ComputerTraining Defendants' false representations outlined above in such a manner that the injury suffered by Plaintiffs inured to the benefit of Defendants.

WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against the Defendants for whatever damages Plaintiffs are found to be entitled to recover, plus interest, costs and attorney's fees, including, but not limited to, direct damages, incidental damages, consequential damages, exemplary damages, punitive damages, attorneys fees and costs, injunctive relief and any other or further relief the Court deems just.

Count V
Promissory Estoppel

151. Plaintiffs hereby incorporate by reference the preceding allegations.

152. The ComputerTraining Defendants made promises alleged above to Plaintiffs including, but not limited to, that the schools would provide Plaintiffs with the entire program for which they were paying, that the schools would offer continuing placement services, and that the schools would refund in full Plaintiffs' tuition in the event the school closed prior to completion of the program.

153. Defendants' promises were definite and clear.

154. Defendants should have reasonably expected to induce action of a definite and substantial character on the part of Plaintiffs.

155. Plaintiffs acted in reliance on Defendants' promises as outlined above, including by applying for admission, enrolling, paying tuition, and taking other actions all in the manner Defendants expected.

156. Defendants retained the benefit of these promises, in the form of tuition collected and other benefits.

157. Defendants' promises must be enforced if injustice is to be avoided.

WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against the Defendants for whatever damages Plaintiffs are found to be entitled to recover, plus interest, costs and attorney's fees, including, but not limited to, direct damages, incidental damages, consequential damages, exemplary damages, punitive damages, attorneys fees and costs, injunctive relief and any other or further relief the Court deems just.

Count VI
Unjust Enrichment/Breach of Quasi-Contract

158. Plaintiffs hereby incorporate by reference the preceding allegations.

159. The ComputerTraining Defendants have received benefits from Plaintiffs in the form of tuition and fees, among other benefits.

160. It is inequitable to allow the ComputerTraining Defendants to retain these benefits granted to them by Plaintiffs.

WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against

the Defendants for whatever damages Plaintiffs are found to be entitled to recover, plus interest, costs and attorney's fees, including, but not limited to, direct damages, incidental damages, consequential damages, exemplary damages, punitive damages, attorneys fees and costs, injunctive relief and any other or further relief the Court deems just.

Count VII
Equitable Estoppel

161. Plaintiffs hereby incorporate by reference the preceding allegations.

162. The ComputerTraining Defendants, by representations, admissions or silence intentionally or negligently induced Plaintiffs to believe facts alleged above, including but not limited to the facts that the schools would provide the education and training promised to Plaintiffs, that Defendants would remain open for business to permit Plaintiffs to complete their education and training and to receive continuing placement services.

163. Plaintiffs justifiably relied and acted in belief of those facts.

164. Plaintiffs were prejudiced as a result of their belief in those facts.

WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against the Defendants for whatever damages Plaintiffs are found to be entitled to recover, plus interest, costs and attorney's fees, including, but not limited to, direct damages, incidental damages, consequential damages, exemplary damages, punitive damages, attorneys fees and costs, injunctive relief and any other or further relief the Court deems just.

Count VIII
Breach of Contract

165. Plaintiffs hereby incorporate by reference the preceding allegations.

166. The ComputerTraining Defendants entered into express or implied contracts with

each Plaintiff under which they agreed to provide education and training to Plaintiffs to permit them to undertake and complete the certification course for which they enrolled and to receive continuing placement services.

167. The ComputerTraining Defendants breached their obligations under these contracts because they closed the schools on December 31, 2009, while students were enrolled and attempting to complete their program of instruction and undertake careers in information technology.

168. The ComputerTraining Defendants breached their contracts with the Enrolled Class by closing the schools before the Enrolled Class was able to complete the training class members paid for.

169. The ComputerTraining Defendants breached their contracts with the Enrolled Class and the Graduate Class by closing the schools without providing the continuing placement services class members had paid for.

170. Plaintiffs have been damaged as a proximate result of the ComputerTraining Defendants' actions because, among other reasons, they neither have the tuition nor the education nor the continuing placement services they were promised.

WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against the Defendants for whatever damages Plaintiffs are found to be entitled to recover, plus interest, costs and attorney's fees, including, but not limited to, direct damages, incidental damages, consequential damages, exemplary damages, punitive damages, attorneys fees and costs, injunctive relief and any other or further relief the Court deems just.

Count IX
Fraud

171. Plaintiffs hereby incorporate by reference the preceding allegations.

172. In order to induce students to enroll at their schools, the ComputerTraining Defendants made material representations, including but not limited to that the schools would provide Plaintiffs with the entire program for which they were paying, that the schools would offer continuing placement services, and that the schools would refund in full Plaintiffs' tuition in the event the school closed prior to completion of the program.

173. The representations made by the ComputerTraining Defendants were false.

174. When making these representations, the ComputerTraining Defendants knew or should have known the representations were false.

175. Plaintiffs acted upon the ComputerTraining Defendants' false representations and suffered damages as a result. Among other things, Plaintiffs were induced to enter into contracts with Defendants and to incur financial and other obligations.

WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against the Defendants for whatever damages Plaintiffs are found to be entitled to recover, plus interest, costs and attorney's fees, including, but not limited to, direct damages, incidental damages, consequential damages, exemplary damages, punitive damages, attorneys fees and costs, injunctive relief and any other or further relief the Court deems just.

Count X
Civil Conspiracy

176. Plaintiffs hereby incorporate by reference the preceding allegations.

177. The ComputerTraining Defendants conspired and took collective action to cause

damage to Plaintiffs.

WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against the Defendants for whatever damages Plaintiffs are found to be entitled to recover, plus interest, costs and attorney's fees, including, but not limited to, direct damages, incidental damages, consequential damages, exemplary damages, punitive damages, attorneys fees and costs, injunctive relief and any other or further relief the Court deems just.

Count XI
Concert of Action

178. Plaintiffs hereby incorporate by reference the preceding allegations.

179. The ComputerTraining Defendants acted in concert in damaging Plaintiffs as set forth above.

180. On information and belief, the ComputerTraining Defendants encouraged and participated in each of the claims alleged, including but not limited to the admissions push, the decision to enroll students at a time when they knew or should have known the schools would be closing and the promised education would not be completed, the decision to lock schools, and the decision to siphon student funds on the eve of closing.

181. The ComputerTraining Defendants jointly engaged in tortious activity that harmed Plaintiffs.

WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against the Defendants for whatever damages Plaintiffs are found to be entitled to recover, plus interest, costs and attorney's fees, including, but not limited to, direct damages, incidental damages, consequential damages, exemplary damages, punitive damages, attorneys fees and costs, injunctive

relief and any other or further relief the Court deems just.

Count XII
Holder Provision Liability of Sallie Mae

182. Plaintiffs hereby incorporate by reference the preceding allegations.

183. The majority of class members pre-paid their ComputerTraining tuition through loans from Sallie Mae.

184. Plaintiffs Andrew Laporte, Jason Lowe, Andrew Smith, John Maher, Elizabeth Spafford, David Ayotte, Michael Chunn, Jason Colter, Alex Ferguson, Jason Frans, Amy Gamble, James Marshall, Dennis Parker, Aldin Sabanovski, Bruce Vang, Mehmed Vojnikovic, Nathan Waddell and Senad Zukic each obtained Sallie Mae loans to pay for the education and career placement services ComputerTraining Defendants agreed to provide.

185. In the loan contract with Sallie Mae, Sallie Mae agreed to the following:

“ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL THE CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.”

186. Accordingly, Sallie Mae is subject to the claims and defenses that each of its borrowers could assert against ComputerTraining, including those claims and defenses outline above.

WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against Sallie Mae for whatever damages Plaintiffs are found to be entitled to recover, plus interest, costs and attorney’s fees, including, but not limited to, refund of all amounts paid by any class member to Sallie Mae with interest, a discharge of any outstanding loan amount, direct damages, incidental

damages, consequential damages, exemplary damages, punitive damages, attorneys fees and costs, injunctive relief and any other or further relief the Court deems just.

WHEREFORE, Plaintiffs respectfully request that the Court enter an order:

certifying this case as a class action;
awarding Plaintiffs actual, exemplary, punitive and treble damages for their injuries;
awarding Plaintiffs their attorney fees and costs; and
granting whatever other or further relief the Court deems just under the circumstances as outlined above.

THE GOOGASIAN FIRM, P.C.

By /s/ Dean M. Googasian

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Dated: August 10, 2010

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN

ANDREW SMITH, ANDREW LAPORTE,
JASON LOWE, CRAIG POTTER,
and THOMAS SPRADER,
individually and on behalf
of a class of similarly situated enrolled persons,
JOHN MAHER and ELIZABETH SPAFFORD,
individually and on behalf of a class of
similarly situated graduates, and DAVID
AYOTTE, MICHAEL CHUNN,
JASON COLTER, LORNE COUCH,
ALEX FERGUSON, JASON FRANS,
AMY GAMBLE, JAMES MARSHALL,
DENNIS PARKER, DAVID RHEAD,
ALDIN SABANOVSKI, BRUCE VANG,
MEHMED VOJNIKOVIC, NATHAN
WADDELL, and SENAD ZUKIC,
individually;

Plaintiffs,

Case No. 2:10-cv-11490

Hon. Victoria A. Roberts

v.

CLASS ACTION COMPLAINT

COMPUTERTRAINING.COM INC,
COMPUTERTRAINING.EDU, LLC (f/k/a
COMPUTERTRAINING.COM, LLC) , CTCI CORP
and SALLIE MAE, INC.

Defendants.

JURY DEMAND

Plaintiffs hereby demand a trial by jury in this action.

THE GOOGASIAN FIRM, P.C.

By /s/ Dean M. Googasian

Thomas H. Howlett (P57346)

Dean M. Googasian (P53995)

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Dated: August 10, 2010