

IV. Westwood Misled Prospective Students Across All Westwood Campuses from 2002 through 2015 Regarding the Transferability of Westwood’s Credits

1. Westwood’s academic credits rarely transferred to other institutions — a fact that was known to Westwood leadership and acknowledged in Westwood documents.¹
2. Despite this fact, Westwood recruiters exaggerated the transferability of its credits when speaking to prospective students. Westwood mischaracterized the effect of its national accreditation on transferability; falsely equated the transferability of Westwood credits with the transferability of credits from other institutions; and claimed that Westwood credits generally transferred or that its credits were on par with those of other schools.² These misleading and false statements were even sanctioned in official guidance from Westwood leadership.³
3. Westwood recruiters exaggerated the transferability of its credits consistently across all its campuses between 2002 and 2015, leaving students with the impression that their credits would transfer to other institutions.⁴
4. Prospective students considered the transferability of Westwood credits to be an important factor when deciding to enroll at Westwood.⁵
5. Westwood’s written statements regarding the limited transferability of credits generally did not alter the typical impression of borrowers that Westwood credits would transfer to other schools.⁶
6. The evidence shows that between 2002 and 2015, Westwood recruiters frequently led prospective students to believe credits earned at Westwood would transfer, even though Westwood knew its credits rarely transferred.

A. Westwood’s Academic Credits Rarely Transferred to Other Institutions, and Westwood Knew This Fact

7. Westwood was a nationally accredited, for-profit educational institution.⁷ As discussed

¹ See *infra* § (A) (demonstrating that Westwood’s academic credits rarely transferred, and Westwood knew this fact).

² See *infra* § (B) (demonstrating that Westwood recruiters misrepresented or exaggerated the transferability of its credits to prospective students in several ways).

³ See, e.g., *infra* ¶¶ 8, 14–15, 25–27.

⁴ See *infra* § (C) (demonstrating that Westwood’s misrepresentations about transferability were prevalent and consistent).

⁵ See *infra* § (D) (demonstrating that the transferability of Westwood credits was an important consideration for students).

⁶ See *infra* § (E) (demonstrating that Westwood created the impression its credits would transfer despite limited written statements regarding transferability).

⁷ See § I, ¶¶ 1, 25. There are two kinds of institutional accreditation: national and regional. National accreditation applies “mainly [to] for-profit, career-based, single-purpose institutions, both degree and non-degree.” See Exhibit 19 (An Overview of U.S. Accreditation), at 2–3. Regional accreditation applies to “public and private, mainly nonprofit and degree-granting, two- and four-year institutions.” *Id.*

below, credits earned at Westwood rarely transferred to other institutions.⁸ Westwood leadership and employees knew this,⁹ yet Westwood misled prospective students to believe that their credits would transfer and, in particular, that Westwood's national accreditation would not impose limitations on transferability.¹⁰

8. Numerous former employees who worked at various Westwood campuses have also stated that they knew Westwood credits would rarely transfer to other schools (and that students specifically complained to them about Westwood having misled students regarding the transferability of credits).¹¹ For example, Westwood's Chief Operating Officer acknowledged that "[i]t is unlikely . . . that credits earned at Westwood College will transfer to other institutions, regardless of accreditation."¹²
9. Furthermore, Westwood admissions representatives were required to sign, at least between 2007 and 2010, an acknowledgement agreeing that: (1) "I will not guarantee Transfer of Credits to or from other institutions" and (2) "I will not use our Accreditation as a tool to recruit to the College."¹³

⁸ See *infra* ¶ 12.

⁹ See *infra* ¶¶ 8, 14–15.

¹⁰ See *infra* § (B) (demonstrating that Westwood recruiters misrepresented or exaggerated the transferability of its credits to prospective students in several ways).

¹¹ See Exhibit 61 (██████████ Statement), at 119:2–17 (Assistant Director of Admissions, 2002–2010, ██████████) (testifying that sometime prior to 2009 she started receiving calls from enrolled students saying, "nobody takes my credit"); Exhibit 83 (██████████ Affidavit), at ¶ 10 (Admissions Representative, 2007, ██████████) (stating that based on Westwood training, when a prospective student asked about transferability "[w]e were under no obligation to tell them that their credits would not transfer to another school"); Exhibit 57 (██████████ Statement), at 145:25–146:5 (Director of Admissions, 2004–2010, ██████████) (testifying she understood that, "If they [i.e. a Westwood student] transfer into a regionally accredited school, no, they probably won't transfer. But all we said was: It depends on the receiving institution."); Exhibit 54 (██████████ Statement), at 83 (former Admissions Representative for Alta Colleges, Inc. in ██████████) (testifying that, contrary to Westwood training, he learned through his own investigation that there was a "huge issue" with transferring credits with national accreditation); Exhibit 175 (██████████ Dep. (Interim Campus President, 2007–2016, ██████████), ██████████ at 61:7–23, 104:2–5 [hereinafter ██████████ Deposition] (testifying that "Again, transferability of credits has always been a question among students, you know, from the time I started with Westwood" and she was aware that students complained about limited "transferability of credits, degrees honored at graduate schools, [and Westwood] not disclosing either of the issues"); Exhibit 48 (██████████ Dep. (Chief Administrative Officer, ██████████), ██████████ at 73:11–14 (testifying that "in certain cases with a national accredited degree, some of the credits would likely not transfer").

¹² Exhibit 176 (*Transferring College Credits: Q&A with Lou Pagano, Chief Operating Officer at Westwood College*, WESTWOOD COLL. (Sept. 7, 2015), <http://www.westwood.edu/qa/credit-transfer> [<https://web.archive.org/web/20150907054818/http://www.westwood.edu/qa/credit-transfer>] [hereinafter Credit Transfer Q&A Webpage 2015] (Chief Operations Officer, 2001–2016, Westwood College).

¹³ See, e.g., Exhibit 177 (WESTWOOD COLL., *Admissions 100C – New Hire Training Workbook* (May. 17, 2007)), at ALTA_000001633; Exhibit 178 (ALTA COLLS., INC., *Presentation Guideline* (Dec. 1, 2008)), at WC-1-01-008861; Exhibit 179 (WESTWOOD COLL., *Admissions 100C – New Hire Training Workbook* (Jun. 1, 2009)), at WC-1-01-009077; Exhibit 49 (WESTWOOD COLL., *Admissions 100C – New Hire Training Workbook* (Jul. 16, 2010)), at ALTA_000004728; see also Exhibit 180 (WESTWOOD COLL., *200: Admissions Boundaries and Expectations: Understanding the Boundaries Between Admissions, Student Finance and Financial Aid* (Sept. 14, 2010)), at 19 (training presentation stating "will not guarantee transfer of credits" with a screen capture of the "Presentation Guidelines and Ethical Responsibilities" document); Exhibit 181 (WESTWOOD COLL., *Presentation Guidelines and*

10. Additionally, one of Westwood’s national accreditors, the Accrediting Council for Independent Colleges and Schools (“ACICS”),¹⁴ reported to the Department of Education (“Department”) that “one of the key issues” its member institutions face “is the ability to transfer academic credit.”¹⁵ ACICS asserted that when students at nationally accredited schools attempt to transfer their credits to regionally accredited schools, “on the basis of institutional accreditation, the discussion cannot even occur [between the prospective student and the receiving school], let alone an effective evaluation of which of those credits should be eligible for transfer.”¹⁶
11. According to a recent Government and Accountability (“GAO”) report, regionally accredited institutions prefer to accept transfer credits only from other regionally accredited institutions.¹⁷ In fact, many institutions’ transfer policies specifically state that they only accept transfer credits from regionally accredited schools.¹⁸ Additionally, only twenty-two percent of institutions of higher education have national accreditation.¹⁹ Furthermore, regionally accredited schools are mostly nonprofit and public schools whereas national accreditors generally accredit for-profit schools.²⁰
12. Westwood credits rarely transferred to other institutions. The Transfer Credit Practices of Designated Educational Institutions report, published by the American Association of Collegiate Registrars and Admissions Officers, shows that out of all the institutions with a policy regarding Westwood credits, four out of five had a policy to never accept transfer credits from Westwood.²¹

Ethical Responsibilities (Oct. 10, 2010)), at WC-2-10-100170 (stating “I will not guarantee transfer of credits to or from other institutions”).

¹⁴ See Appendix B (Westwood Campus Accreditation Information). In addition, at times from 2000 to 2012, some of Westwood’s campuses had national accreditation with the Accrediting Commission of Career Schools and Colleges (“ACCSC”) (also known as the Accrediting Commission of Career Schools and Colleges, or “ACCSC”). See *id.* Over the course of 2008 to 2012, Westwood transitioned all of its ACCSC-accredited schools to ACICS accreditation. See § I, ¶¶ 38–39.

¹⁵ Exhibit 182 (*Higher Education Opportunity Act, Public Regional Hearing on Negotiated Rulemaking before the United States Department of Education, Office of Postsecondary Education* (Oct. 8, 2008) statement of ACICS Director Anthony Bieda, <https://www2.ed.gov/policy/highered/reg/hearulemaking/hea08/transcript-10-08-08.pdf> (last visited Jan. 19, 2021)), at 16 [hereinafter Bieda Statement].

¹⁶ Exhibit 182 (Bieda Statement), at 17.

¹⁷ Exhibit 183 (U.S. GOV’T ACCOUNTABILITY OFF., GAO-17-574, HIGHER EDUCATION: STUDENTS NEED MORE INFORMATION TO HELP REDUCE CHALLENGES IN TRANSFERRING COLLEGE CREDITS (2017)), at 11.

¹⁸ Exhibit 184 (U.S. GOV’T ACCOUNTABILITY OFF., GAO-06-22, TRANSFER STUDENTS: POSTSECONDARY INSTITUTIONS COULD PROMOTE MORE CONSISTENT CONSIDERATION OF COURSEWORK BY NOT BASING DETERMINATIONS ON ACCREDITATION (2005)), at 3.

¹⁹ Exhibit 185 (U.S. GOV’T ACCOUNTABILITY OFF., GAO-18-5, HIGHER EDUCATION: EXPERT VIEWS OF U.S. ACCREDITATION (2017)), at 8. [hereinafter GAO Report 18-5] (fifty-five percent of schools are regionally accredited, twenty-three percent are programmatically accredited, and twenty-two percent are nationally accredited).

²⁰ Exhibit 185 (GAO Report 18-5) at 7.

²¹ Exhibit 186 (*Transfer Credit Practices of Designated Educational Institutions*, AM. ASS’N OF COLLEGIATE REGISTRARS & ADMISSIONS OFFICERS, <http://tcp.aacrao.org> (last visited Mar. 10, 2021)) [hereinafter Transfer Credit Practices Reports] (the reports were last updated between August 2007 and June 2015); see also Appendix C (Schools that Maintained a Policy Regarding the Acceptance of Westwood Academic Credits). The remaining

13. Further, a 2014 study by the Department's National Center for Education Statistics ("NCES") found that 81.4–84.3% of students who transfer to, from, or between nationally accredited schools have none of their credits transfer.²² That same study found that, in the minority of cases where students at nationally accredited schools managed to transfer some of their credits, they typically lost eighty-three to ninety percent of their credits.²³
14. Westwood sought Higher Learning Commission of the North Central Association of Colleges and Schools ("HLC") accreditation in 2004.²⁴ A Westwood document acknowledged that regional accreditation with the HLC was the "'gold standard' in higher education" and noted several benefits of obtaining regional accreditation, including "[t]he potential for increased transferability of credits to other institutions" and "[a]n understanding that a degree from Westwood College [would hold] the best institutional accreditation in the country."²⁵ Westwood was unsuccessful in its attempt to gain regional accreditation and ultimately withdrew its candidacy in 2010.²⁶
15. Numerous Westwood employees acknowledged that the possibility of increased transferability of credits was one of the key reasons that in 2004 Westwood began seeking regional accreditation with the HLC.²⁷ For example, in an email circulated among many in

institution had a policy of only accepting credits "for courses which are appropriate to the reporting institution's baccalaureate programs." Exhibit 186 (Transfer Credit Practices Reports).

²² See Exhibit 187 (Sean Anthony Simone, *Transferability of Postsecondary Credit Following Student Transfer or Coenrollment: Statistical Analysis Report*, NAT'L CTR. FOR EDUC. STATISTICS (Aug. 2014), <https://nces.ed.gov/pubs2014/2014163.pdf> (last visited Jan. 14, 2021)), at 36–37 [hereinafter NCES Transferability Report] (accreditation status is a factor affecting credit transferability, and its importance is seen in the high percentage of transfer credits that are lost when nationally accredited students attempt to transfer those credits). In contrast, only 36.5% of students transferring between regionally accredited schools have none of their academic credits transfer when enrolling at another regionally accredited school. See Exhibit 187 (NCES Transferability Report), at 36. See also Exhibit 188 (Expert Rebuttal Report by [REDACTED]).

[REDACTED] at 4 ([REDACTED]) stating that the "[t]ype of accreditation is one of the first considerations, and often the primary consideration, by a receiving institution in reviewing transfer credit").

²³ Exhibit 187 (NCES Transferability Report), at 37. These findings are consistent with the experiences alleged in borrower defense applications — i.e. that Westwood credits rarely transferred. See Appendix D (Statements of Former Students Evidencing that Westwood Misrepresented the Transferability of Its Credits).

²⁴ See § I, ¶ 26 (showing Westwood sought HLC accreditation starting in 2004).

²⁵ Exhibit 189 (WESTWOOD COLL., *HLC Accreditation Update* (Feb. 2009)), at ALTA_000016992.

²⁶ See § I, ¶ 26 (showing that Westwood ultimately withdrew its candidacy for HLC accreditation in 2010). Westwood never held regional accreditation at any of its campuses. See *id.*

²⁷ Exhibit 190 (WESTWOOD COLL., *Preparation Plan for an HLC Site Visit* (Apr. 2006)), at ALTA_000078399 (acknowledging that "Westwood will benefit from regional accreditation in a number of ways," including "wider recognition of credits"); Exhibit 191 (Email from [REDACTED], Campus Dean of Acads., [REDACTED], to Westwood [REDACTED] Campus Employees (Feb. 26, 2009) (on file with Department)), at ALTA_000033423, (Campus Dean of Academics, 2004–2013, [REDACTED]) (stating: "1) You will be asked why we are seeking regional accreditation through the Higher Learning Commission. 2) It's important to explain all of the benefits that our students will receive through obtaining this academic distinction (i.e. graduate school, easier transferability of credits, candidates for the [REDACTED] Police Department, etc.)"); Exhibit 192 (Email from [REDACTED], Acad. Dean, [REDACTED], to [REDACTED], Campus President, [REDACTED] (Feb. 1, 2010) (on file with Department)), at ALTA_000055091 (stating that a Westwood student had unsuccessfully attempted to transfer to the College of [REDACTED], and that the college "w[as]n't even reviewing the transcripts because their database showed that we were not [REDACTED] [i.e. regionally] accredited.").

Westwood's leadership, an [REDACTED] at Westwood cited "possible transferability of credits" as one of the reasons for seeking HLC accreditation.²⁸

16. Westwood's national accreditation was a significant limitation, if not a complete bar, to a student's ability to transfer credits to another institution, and Westwood was aware of this fact.²⁹

B. Westwood Recruiters Falsely Represented or Exaggerated the Transferability of Westwood Credits to Prospective Students

17. Although Westwood credits rarely transferred to other institutions, Westwood recruiters frequently exaggerated the transferability of the school's credits when communicating with prospective students.³⁰
18. These misrepresentations and exaggerations aligned with Westwood's general recruiting practices. To increase enrollment, Westwood's admissions department employed aggressive sales tactics with prospective students.³¹ Recruiters often made false or misleading statements to prospective students to induce them to enroll.³² Recruiters' misleading statements regarding transferability were thus part of a larger pattern of doing whatever it took to get prospective students to enroll.³³
19. [REDACTED] of sworn borrower defense applications from former Westwood students allege that Westwood misled them regarding the transferability of the school's credits.³⁴
20. Significant additional evidence corroborates borrowers' claims, including statements from Westwood employees and leadership, Westwood training materials, student testimony and affidavits, and recordings and transcripts of calls between employees and prospective

²⁸ Exhibit 193 (Email from [REDACTED], [REDACTED], Westwood Coll., to [REDACTED], [REDACTED], [REDACTED], [REDACTED], and [REDACTED] (Jun. 18, 2007) (on file with Department)), at ALTA_000122940 (stating that Westwood wanted HLC accreditation "because it helps our students (prestige, retention, financial aid opportunities, consistent curriculum out [sic] curriculum outcomes, possible transferability of credits)").

²⁹ See *supra* ¶¶ 7–13, 15.

³⁰ See *infra* § (B)(1)–(3) (explaining the main ways in which Westwood misrepresented and exaggerated the transferability of its credits).

³¹ See § II(A) (discussing Westwood's aggressive recruiting tactics, including finding and manipulating students' emotional "drivers" or motivations, presenting Westwood as a selective institution to create a sense of urgency to enroll, rushing students through the enrollment paperwork without an opportunity to read and understand what they were signing, and used scripts to overcome prospective students' objections rather than taking no for an answer).

³² See § II, ¶¶ 12, 14 (showing recruiters misled prospective students by presenting themselves as prospective students' advisors and friends); ¶¶ 18–28 (showing recruiters made misleading statements claiming Westwood was a selective institution, requiring a "personal recommendation," and that there were limited spots for new students); and § III(A)(4)–(5) (recruiters made misleading assurances to prospective students that they could obtain police officer positions with Westwood's Criminal Justice degree).

³³ See § II(C) (summarizing Westwood's aggressive recruiting tactics).

³⁴ These allegations are unprompted, specific, and consistent across a span of years and across all Westwood campuses. See Exhibit 194 (Report of all Cases Submitted by Westwood Borrowers, Borrower Defense Group (on file with Department)) [hereinafter Report of all Westwood Cases]; see also Appendix D (Statements of Former Students Evidencing that Westwood Misrepresented the Transferability of Its Credits).

students.³⁵

21. As demonstrated below, this evidence establishes that Westwood recruiters used a variety of tactics to exaggerate or misrepresent the transferability of Westwood credits, including:

- mischaracterizing the effect of Westwood’s national accreditation;
- falsely equating transferring Westwood credits to transferring credits from other institutions, including regionally accredited institutions; and
- exaggerating to prospective students that Westwood credits would often transfer to other institutions when that was rarely the case.

1. Westwood Mischaracterized the Effect of Its National Accreditation

22. Westwood’s national accreditation was a significant limitation, if not a complete bar, to a student’s ability to transfer credits to another institution. To mask the import of that fact, Westwood admissions representatives made oral representations regarding its accreditation which misled prospective students about the transferability of credits earned at Westwood.³⁶

23. For example, rather than directly answering questions from prospective students about whether credits earned at Westwood would transfer, admissions representatives were trained to obfuscate the transferability issue by responding that Westwood was “fully accredited” or “nationally accredited,” implying that its accreditation meant Westwood credits would transfer to other schools.³⁷

24. Misrepresentations that Westwood’s national accreditation meant its credits would transfer appeared in Westwood’s written guidance for students and admissions representatives.³⁸ The

³⁵ See *infra* § (B)(1)–(3) (explaining the main ways in which Westwood misrepresented and exaggerated the transferability of its credits).

³⁶ See *infra* ¶¶ 28–30.

³⁷ See *infra* ¶¶ 29–31. This approach is reflected in Westwood’s internal recruiter training documents regarding “standard statements” in response to questions about accreditation and transferability, which instructed to engage in obfuscation on any questions about transferability. Specifically, regarding accreditation, recruiters should “only” say that Westwood is “nationally accredited” and identify that its accreditor is recognized by the Department of Education, even if “the applicant presses and would like additional information.” See, e.g., Exhibit 195 (WESTWOOD COLL., *Westwood College Standard Statements* (Apr. 15, 2009)), at ALTA_000003688 [hereinafter *Westwood Standard Statements 2009*]; Exhibit 196 (WESTWOOD COLL., *Westwood College Standard Statements* (Jan. 23, 2010)), at ALTA_000005385 [hereinafter *Westwood Standard Statements 2010*]. The 2009 training did not specifically provide for any response regarding transferring Westwood credits to another institution. See Exhibit 195 (Westwood Standard Statements 2009). However, the 2010 training advised that “Westwood College makes no guarantee of credit transfer. The decision regarding the transferability of credits is always at the discretion of the receiving school.” Exhibit 196 (Westwood Standard Statements 2010). Additionally, a step-by-step script instructed recruiters to tell prospective students that “[a]t Westwood College, we are proud to offer our students a fully accredited education” and “[t]his means our accreditation affirms the value of our degrees upon graduation,” but the script was entirely silent on the issue of transferability. Exhibit 164 (WESTWOOD COLL., *All Coaching Overlays* (Aug. 20, 2010)), at WC-2-10-100094 [hereinafter *Coaching Overlays*].

³⁸ See *infra* ¶¶ 25–26.

evidence demonstrates that Westwood recruiters then conveyed these statements to prospective students during the admissions process.³⁹

Westwood Trainings and Other Written Guidance

25. A Westwood “Q and A,” which appeared in a student newsletter available on Westwood’s website, addressed the relationship between accreditation and transferability of credits. The first question in the “Q and A” was: “Is Westwood College accredited?” The answer stated that Westwood was “fully accredited by two national agencies.”⁴⁰ Another question in the “Q and A” was: “What about my ability to transfer credits?” The response stated that “[t]ransferring credits and degrees between any two colleges (regionally or nationally accredited) is not guaranteed since it is entirely dependent on the receiving institution’s policies.”⁴¹ The response further stated “[s]ome colleges and universities will accept the entire Westwood degree or partial degree credits; others will not.”⁴²
26. These characterizations implied that other colleges and universities may or may not accept Westwood credits, when Westwood knew its credits rarely transferred to other schools.⁴³ The statement that transferability of credits was dependent on the receiving institution’s policies, also left open the possibility that some schools’ policies would allow for acceptance of Westwood credits when Westwood knew the real obstacle of other schools accepting its credits was its own national accreditation — a fact Westwood avoided telling prospective students.⁴⁴ In reality, Westwood’s “full” accreditation through national accrediting agencies meant that its credits rarely transferred to other institutions.⁴⁵
27. Similarly, after Westwood conceded its inability to obtain regional accreditation and withdrew its application for HLC accreditation, Westwood trained employees to inform students that its failure to obtain “regional accreditation has no impact on your credits or degree earned at Westwood College. Westwood remains fully accredited by ACCSC and the

³⁹ See *infra* ¶¶ 29–32.

⁴⁰ Exhibit 197 (WESTWOOD COLL., *The buzz*, Special Ed., Mar. 2010 (Mar. 31, 2010), <http://www.westwood.edu/media/files/pdf/buzz/TheBuzzNewsletter0310SpEd.pdf> [<https://web.archive.org/web/20100331141531/http://www.westwood.edu/media/files/pdf/buzz/TheBuzzNewsletter0310SpEd.pdf>]) [hereinafter Westwood Newsletter March 2010]. As discussed later, it is unlikely that prospective students themselves would have seen this newsletter — particularly during the rushed enrollment process — given that the webpage was buried in Westwood’s website. See *infra* § (E)(2)–(3). Instead, Westwood webpages reflect official Westwood guidance on transferability that was then — unsurprisingly — reflected in the misrepresentations made by recruiters. See, e.g., *infra* ¶¶ 29–32, 40–42, 46–49.

⁴¹ Exhibit 197 (Westwood Newsletter March 2010).

⁴² *Id.*

⁴³ *Supra* ¶¶ 7–16.

⁴⁴ *Supra* ¶¶ 14–15 (discussing Westwood’s attempt to obtain regional accreditation, in part to increase transferability of its credits).

⁴⁵ See *supra* § (A) (demonstrating that Westwood’s academic credits rarely transferred).

ACICS, both of which are recognized by the U.S. Department of Education.”⁴⁶ In fact, Westwood’s failure to obtain regional accreditation meant that the transferability of its credits would remain limited, as Westwood knew.⁴⁷ This tactic of suggesting there was no meaningful difference between regional and national accreditations exploited prospective students’ unfamiliarity with accreditation types to downplay obstacles to transferring Westwood credits to other institutions.⁴⁸

Statements from Admissions Representatives

28. Audio recordings, call transcripts, student testimony, and students’ sworn affidavits show that admissions representatives followed Westwood trainings and statements of Westwood leadership by conveying to prospective students that Westwood’s national accreditation meant that its credits would transfer.
29. As part of its investigation of Westwood, the Office of the Attorney General of Colorado authored a sworn affidavit in which it quoted and described a sample of recorded conversations between Westwood admissions representatives and prospective students.⁴⁹ The calls captured the same types of statements described above regarding Westwood’s accreditation, which were made to misrepresent that Westwood’s credits would transfer.⁵⁰

⁴⁶ Exhibit 198 (Email from [REDACTED], Vice President of Mktg. Commc’ns., [REDACTED] [REDACTED], to various recipients (Nov. 2, 2010) (on file with Department)), at ALTA_0000162267 [hereinafter [REDACTED] Email]; *see also* Exhibit 54 ([REDACTED] Statement), at 83 (testifying that, “In training, we were told that from the student’s perspective, there’s no significant difference between national and regional accreditation.”). One former admissions representative testified that she was never trained that Westwood credits would have difficulty transferring and only learned this fact when she attempted to transfer Westwood credits she had obtained as a student at Westwood. Exhibit 56 ([REDACTED] Affidavit), at ¶¶ 1–3, 17–18.

⁴⁷ *See supra* ¶¶ 14–15.

⁴⁸ *See* Exhibit 1 (HELP Report), at 64 (noting that for-profits “sometimes play on prospective students’ ignorance about accreditation in order to use their schools’ accreditation as a selling point”). [REDACTED] — who served in a variety of positions at between 2000 and 2012, including Director of Education, Academic Dean, and Campus President — testified that despite whatever disclosures Westwood had in written materials regarding accreditation, students were still not sufficiently informed of the implications of Westwood’s national accreditation, testifying that “What I believe is that sometimes, you know, students — that they may not necessarily know the difference or know exactly what that meant” and the disclosures did not explain “what the difference was between regional and national accreditation.” Exhibit 175 ([REDACTED] Deposition), at 91:13–92:5.

⁴⁹ Exhibit 73 ([REDACTED] Aff. (Attorney, Colorado Attorney General’s Consumer Fraud Unit), [REDACTED] [REDACTED], at ¶ 29 [hereinafter [REDACTED] Affidavit]).

⁵⁰ Other recorded conversations, while not expressly dealing with the transfer of credits, still made statements about Westwood’s accreditation that would mislead students regarding the nature and value of Westwood’s accreditation (which accreditation, as previously discussed, had a negative impact on transferability). *See* Exhibit 73 ([REDACTED] Affidavit), at ¶ 29 (“The most important thing you do want to know about Westwood is that we are highly accredited nationally... What this also means for you... It’s kind of like a seal of approval.”) (ellipses in original) (quoting Attachment A, Track 57 (T1-399, file 2 at 17:20–18:31)); *id.* (“There are many different accreditations for schools. There’s literally hundreds. The one we’ve carried for thirty-nine years is recognized by the U.S. Department of Education. The HLC is a regional accreditation. They’re both tight in different ways. I would say the ACCSCT accreditation is the bigger of the two ...”) (ellipsis in original) (quoting Attachment A, Track 47 (T4-508 at 2:04:13–2:04:40)); *id.* (“There are different types of accreditation. Ours is a career-focused accreditation... Ours is for people who want to get in, get out, get in the field, start working.”) (ellipsis in original) (quoting Attachment A, Track 55 (T1-139 at 54:15–54:50)).

- “‘We are accredited...therefore, your degree, credits can transfer and that your degree will be worth something when you graduate.’”⁵¹
- “‘Do you know what it means to be accredited? What it means is that, for instance, if you wanted to switch schools or were at a college before, we could do a transfer of credits.’”⁵²
- “‘We’re also an accredited college...we’re also a candidate for the HLC. As we move forward into that accreditation, it will allow you more recognition with your degree, as well as transferability of credits.’”⁵³
- “‘Student asks if her Westwood credits will transfer in order for her to go from studying to be a paralegal to becoming a lawyer. The representative says, ‘Yes, you can transfer credits...now, what we tell everybody is, every school is different. We’re an accredited school. So if you go to an unaccredited school, then we can’t tell you that they’re going to transfer.... But most of the time, if you go to an accredited school you shouldn’t have a problem but we can’t tell you that every school out there is going to take them because we don’t know every school out there....it’s kinda like a disclaimer[.]’”⁵⁴

30. Likewise, a review of audio recording transcripts of Westwood’s admissions representatives speaking with prospective Illinois students interested in Westwood’s online program provides additional examples of such representations:

- In one call, the admissions representative says: “We are an accredited school, and have you ever heard the word ‘accredited’ before?” The prospective student says “Uh-huh,” and the representative continues by asking: “You know what that means, what it means to be an accredited school?” The prospective student responds that, “If I transfer, my credits will switch over with me.” The admissions representative confirms the student’s incorrect understanding, responding, “Exactly right.”⁵⁵
- In another call, an admissions representative asks the prospect, “Do you know the importance when you’re dealing with accreditation with a college?” The prospect replies, “Oh yes, I’m very, very concerned about that, as a matter of fact” then continues: “Accreditation and also transferability of credits...” The admissions representative then explains: “You can’t transfer credits if you’re dealing with a non-accredited school. That is number one.” The admissions representative then discusses other issues and does not return to the issue of transferability of credits.⁵⁶

31. In addition, former students have testified or provided sworn affidavits reflecting Westwood’s misrepresentations that its national accreditation meant that its credits were transferable:

⁵¹ *Id.* (ellipsis in original) (quoting Attachment A, Track 46 (T4-485 at 45:09–45:43)).

⁵² *Id.* (quoting Attachment A, Track 49 (T1-299 at 29:21–29:33)).

⁵³ *Id.* (alterations and ellipses in original) (quoting Attachment A, Track 52 (T2-078 at 23:54–24:50)).

⁵⁴ *Id.* (ellipses in original) (quoting Attachment A, Track 42 (T1-012 at 11:25–12:07)).

⁵⁵ Exhibit 199 (Transcript of cd no. 81 (May 6, 2014)), at 29:3–10.

⁵⁶ Exhibit 200 (Transcript of cd no. 59 (May 6, 2014)), at 19:4–20:3 (alteration added).

- “I was told by the representative that because Westwood was nationally accredited, any credits I received at Westwood could be transferred to other schools. I was not told about any limitations on transfer of Westwood credits.”⁵⁷
- “The representative explained that because Westwood was nationally accredited, any credits I received would transfer to any private college I decided to attend.”⁵⁸
- “I was thinking of moving to North Carolina. I wanted to make sure that if I did move in between college, that my credits would transfer over with me to North Carolina, and she [i.e. the Westwood admissions representative] said yes, they would. They’re fully accredited....I was told [Westwood was] nationally and regionally [accredited].”⁵⁹

Statements in Borrower Defense Applications

32. Former students consistently allege in sworn borrower defense applications that Westwood representatives made the same types of misrepresentations that Westwood’s national accreditation meant its credits would transfer. For example, borrowers allege:

- 2003, Anaheim, CA: “They stated that they were fully accredited and the classes are transferable anywhere to any other fully accredited college of my choice, [t]hey even suggested Chapman University[.] None of the credits are transferable in order for me to get the education On paper I wanted I’d need to completely start over.”
- 2004, Anaheim, CA: “The school deceived me by telling me they were a fully accredited school....I was also told that I would be able to further my degree and transfer to a 4-year university....This was misleading to me because I was told that upon my graduation I would be able to transfer to a 4-year university like Cal Poly Pomona.”
- 2006, Denver, CO: “The recruiter stated that the college was nationally accredited which was better because it meant that they would transfer to other colleges and institutions nationwide.”
- 2006, Online: “Westwood told me that they were a fully accredited school and that my credits would transfer to any regular college, including major universities.”
- 2006, Online: “The school told me they were nationally accredited, and that because of that my credits could be transferred anywhere.”
- 2008, Online: “Every time I would start a new semester for the school I would asks [sic] if the credits would transfer to other schools especially local schools in Alabama and every time I was assured and promised that most if not all credits would transfer

⁵⁷ Exhibit 201 ([REDACTED] Aff. (Student, 2006–2007, Westwood Online), [REDACTED] at ¶ 5.

⁵⁸ Exhibit 202 ([REDACTED] Aff. (Student, 2006–2009, Westwood Online), [REDACTED] at ¶ 8.

⁵⁹ Exhibit 77 ([REDACTED] Deposition), at 39:18–22, and 71:1–5. The student, who attended Westwood’s DuPage campus, testified that the admissions representative made this statement around June or July of 2005. *Id.* at 56:14–57:1.

anywhere.”

- 2008, Denver, CO: “Westwood officials were misleading when asked if credits could be transferred and would often answer the question stating that they were an accredited college. They were not informative regarding the level of accreditation and the fact that their credits were not going to be accepted at other schools.”
- 2011, Denver, CO: “I was assured by the school from the first interactions that they were a fully accredited school....I was told I would not need too but if I ever wanted to further my education elsewhere I could do so at any school in the country without any issues at all and they would accept my credits and degree.”
- 2012, Torrance, CA: “[I] was told that credits earned at Westwood College would transfer to regionally accredited schools even though Westwood College was nationally accredited none of my credits were transferable [I] am left with student loans from a school that lied to me.”
- 2013, Atlanta, GA: “They said that they were an [sic] highly accredited school. That all credits were transferable. While trying to continue my education I was told that most of credits would not transfer and that I would have to [take] extra classes in order to be accepted in a higher degree program.”
- 2015, Online: “The school stated they were nationally accredited and that I could transfer to any school. It was not true that I can transfer to any school because due to their national accreditation the majority of universities and colleges only accept credits from regional accreditation colleges [.] It made it difficult for me to continue to pursue furthering my education.”⁶⁰

33. In sum, Westwood misrepresented to prospective students that its accreditation meant that its credits would transfer to other institutions. Westwood’s admissions representatives directly told prospective students that because of Westwood’s national accreditation, its credits would transfer.⁶¹ Representatives also stated that Westwood was “nationally” or “fully” accredited in response to questions about transferability, falsely stating that Westwood’s credits would transfer or exaggerating the likelihood they would transfer.⁶² However, as Westwood knew, its credits rarely transferred to other schools.⁶³

2. Westwood Equated Westwood Credits with Credits from Other Institutions

34. In addition to mischaracterizing its national accreditation, Westwood equated the transferability of Westwood credits with the transferability of credits from other institutions, leading prospective students to believe that their Westwood credits would be as likely to transfer as if they attended any other school.⁶⁴ These techniques appeared in Westwood

⁶⁰ Appendix D (Statements of Former Students Evidencing that Westwood Misrepresented the Transferability of Its Credits).

⁶¹ See *supra* ¶¶ 24, 27–31.

⁶² See *supra* ¶¶ 23 – 25.

⁶³ See *supra* ¶¶ 7, 8.

⁶⁴ See *infra* ¶¶ 35–42.

trainings and were reflected in the statements of Westwood leadership.⁶⁵ They were then put into practice by Westwood recruiters.⁶⁶

Westwood Trainings

35. Westwood trained employees to characterize the transferability of Westwood credits as no different from other schools. For example, Westwood trained employees that if asked whether Westwood's failure to obtain regional accreditation would "impact the ability to transfer credits," employees should respond that:

Credit transfers are challenging because of the differences in curriculum and teaching approach between traditional colleges and career-focused colleges. As with any type of transfer of credit, no college, including Westwood, can guarantee or deny a transfer of credits in advance of reviewing a student's specific request for transfer and the student's transcripts.⁶⁷

36. In a recruiter training document titled "Techniques and Scripts for Handling the Most Common Objections," recruiters were provided with a scripted response to use if a prospective student stated they had heard "Westwood College credits will not transfer."⁶⁸ The script equated Westwood's credits with other schools' credits, stating: "Some schools do not accept our credits for transfer. On the other hand, we do not accept the credits of some school [sic] either."⁶⁹

Statements from Westwood Leadership

37. Westwood leadership sanctioned and repeated the same type of misleading statements, likening the transferability of its credits to that of other schools and implying that its credits were equally transferable.⁷⁰ For example, in a document posted on Westwood's website,

⁶⁵ See *infra* ¶¶ 35–39.

⁶⁶ See *infra* ¶¶ 40–42.

⁶⁷ Exhibit 198 (██████████ Email), at ALTA_0000162267; see also Exhibit 197 (Westwood Newsletter March 2010) ("Keep in mind that no college, including Westwood, can guarantee or deny a transfer of credits in advance of reviewing a student's specific request for transfer. Transferring credits and degrees between any two colleges (regionally or nationally accredited) is not guaranteed since it is entirely depending on the receiving institution's policies.").

⁶⁸ Exhibit 27 (Westwood Objections Training Document), at WP000036095.

⁶⁹ *Id.*

⁷⁰ See, e.g., Exhibit 203 (WESTWOOD COLL., *The buzz*, Vol. 9, Issue 1 (May 27, 2010), <http://www.westwood.edu/media/files/pdf/buzz/The%20Buzz%20Newsletter9%2009.pdf> [<https://web.archive.org/web/20100527205726/http://www.westwood.edu/media/files/pdf/buzz/The%20Buzz%20Newsletter9%2009.pdf>]) ("Rumors abound in regard to a student's ability to transfer credits to another school. We want to be very clear on this point: some colleges and universities will accept the entire Westwood degree or partial degree credits; others will not. As with any type of transfer of credit, it depends on the policies of the *receiving* institution.") (emphasis in original); Exhibit 204 (WESTWOOD COLL., *The buzz*, Issue 1, Sept. 2009 (Aug. 31, 2013), <http://www.westwood.edu/student-services/the-buzz/issue-1-september-2009> [<https://web.archive.org/web/20130831175641/http://www.westwood.edu/student-services/the-buzz/issue-1-september-2009>]) (same); Exhibit 205 (*Transferring College Credit*, WESTWOOD COLL. (May, 3, 2009), <http://www.westwood.edu:80/admissions/transferring-college-credit/>

titled “Credit Transfer: Q&A,” Westwood’s Associate Provost answered the question of whether Westwood credits would transfer: “The short answer is that it depends on the educational institution to which you are seeking to transfer your credits, and that is true whether you are a student seeking to transfer credits from Westwood, a liberal arts college, a state university or a community college.”⁷¹

38. In the same “Q&A,” Westwood’s Associate Provost acknowledged that it was difficult to transfer credits, in part because “Westwood is a career-focused college that has a course curriculum and teaching approach that are unique.”⁷² However, he again equated Westwood with other schools, stating: “But the bigger obstacle is simply the general resistance of schools to accept credits from other institutions.”⁷³ This same guidance was echoed on Westwood’s website in similar “Q&A” documents with Westwood’s Chief Academic Officer and Westwood’s Chief Operating Officer.⁷⁴
39. In another accreditation “Q&A” posted on Westwood’s website, Westwood’s Provost and Chief Academic Officer answered the question “What is accreditation” by stating: “Career-focused colleges like Westwood, large private universities like Emory and Northwestern, state schools like Colorado State University, community colleges and other institutions of higher education go through accreditation processes to ensure that they meet standards for education and serve their students well.”⁷⁵ This statement equated Westwood’s accreditation with the accreditation of the named schools, each of which was regionally rather than nationally accredited.⁷⁶

[<https://web.archive.org/web/20090503163433/http://www.westwood.edu:80/admissions/transferring-college-credit/>] [hereinafter Transferring College Credit Webpage] (“No college can guarantee the transferability of its credits to any other institution unless there is a written Articulation Agreement with that institution.”).

⁷¹ Exhibit 206 (*Credit Transfer: Q&A with Dr. David Borofsky, Associate Provost*, WESTWOOD COLL. (Oct. 2, 2010), <http://www.westwood.edu/qa/credit-transfer/>

[<https://web.archive.org/web/20101002000024/http://www.westwood.edu/qa/credit-transfer/>] [hereinafter Credit Transfer Q&A Webpage 2010]. At the Q&A, the Associate Provost also addressed a student question about whether credits could transfer only if an articulation agreement was in place. In response, he stated, “Many credit transfers are successfully made without a formal agreement in place. The key thing is for students to be proactive.” *Id.*; Exhibit 207 (*Transferring Credits: Q&A with John Keim, Provost and Chief Academic Officer*, WESTWOOD COLL. (June 6, 2012), <http://www.westwood.edu/qa/credit-transfer>

[<https://web.archive.org/web/20120606164650/http://www.westwood.edu/qa/credit-transfer/>] [hereinafter Credit Transfer Q&A Webpage 2012] (same). As discussed later, it is unlikely that prospective students themselves would have seen this webpage — particularly during the rushed enrollment process — given that discussions of transferability were buried in Westwood’s website. *See infra* § (E)(2)–(3). Instead, Westwood webpages reflect official Westwood guidance on transferability that was then — unsurprisingly — reflected in the misrepresentations made by recruiters. *See, e.g., supra* ¶¶ 29–32; *infra* ¶¶ 40–41, 46–49.

⁷² Exhibit 206 (Credit Transfer Q&A Webpage 2010).

⁷³ *Id.*

⁷⁴ *See, e.g.,* Exhibit 207 (Credit Transfer Q&A Webpage 2012); Exhibit 176 (Credit Transfer Q&A Webpage 2015).

⁷⁵ Exhibit 208 (*Credit Transfer: Q&A with Dr. David Borofsky, Provost and Chief Academic Officer*, WESTWOOD COLL. (Jan. 13, 2011), <http://www.westwood.edu/qa/accreditation/> [<https://web.archive.org/web/20110113115550/http://www.westwood.edu/qa/accreditation/>] [hereinafter Credit Transfer Q&A Webpage 2011].

⁷⁶ *See* Exhibit 209 (*Accreditation*, EMORY UNIV. (Mar. 1, 2010), <http://www.emory.edu/home/about/factsfigures/accreditation.html> [<https://web.archive.org/web/20100301074210/http://www.emory.edu/home/about/factsfigures/accreditation.html>])

Statements from Admissions Representatives

40. Recordings of calls between Westwood recruiters and prospective students show these types of misrepresentations were parroted by Westwood recruiters, who likened the transferability of its credits to that of other schools, implying that its credits were equally transferable. For example, when one student asked if national accreditation meant Westwood credits could transfer anywhere, a recruiter responded “Yeah, you’re close,” but added that even Harvard University and community colleges could not guarantee transfer of credits.⁷⁷ That conversation continued with the admissions representative explaining:

It depends on the individual. Say if you went to our school for a year and decided to go to Harvard two years from now, the guy at Harvard would look at our credits and say, well, now you’re trying to become an English teacher. You have stuff in criminal justice. It doesn’t transfer. See what I’m saying?⁷⁸

Statements in Borrower Defense Applications

41. Former Westwood students consistently allege in sworn borrower defense applications that Westwood representatives equated Westwood credits with credits from other institutions in a manner that led them to believe Westwood’s credits would transfer. For instance, borrowers allege:

- 2003, Denver, CO: “The school told me that if I wanted to transfer to a different school or would like to continue my education after I receive my degree I could do so, this was mentioned prior to enrolling. The[y] told me that the school was fully accredited just like any major university. They assured me of this. This was the most important factor in my decision to attend the school.”
- 2005, Los Angeles, CA: “[A]ll they said was they were fully accredited when [I] asked if they were the same as other schools and if im [sic] going be able to transfer they answered yes and said they were fully accredited.”
- 2006, Upland, CA: “They said that the credits were fully transferable and that it was the same degree as any other college.”
- 2007, Annandale, VA: “They told me Westwood was fully accredited like any other

(stating that Emory University is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools); Exhibit 210 (*University Accreditation*, NORTHWESTERN UNIV. (Apr. 15, 2021), <https://www.northwestern.edu/provost/initiatives/teaching-and-learning/university-accreditation.html#:~:text=Northwestern%20University%20is%20accredited%20by,across%20American%20colleges%20and%20universities>) (stating that Northwestern has been accredited by HLC since 1913); Exhibit 211 (*Accreditation*, COLORADO STATE UNIV. (Jun. 10, 2010), <http://www.accreditation.colostate.edu/> [<https://web.archive.org/web/20100610033306/http://www.accreditation.colostate.edu/>]) (stating Colorado State University is accredited by HLC).

⁷⁷ Exhibit 212 (Transcript of Alta recording #14 a_rcd (Feb. 28, 2014)), at 17:22 – 19:2 [hereinafter Audio Recording no. 14]; *see also* Exhibit 73 (██████████ Affidavit), at ¶ 29 (admissions representative telling student that “[a]n education here is just like an education anywhere else”) (quoting Attachment A, Track 43: (T1-378, file 3 at 8:52-9:23)).

⁷⁸ Exhibit 212 (Audio Recording no. 14), at OAG.Prod.005379, 19:10–19.

University and was receiving additional accreditation's [sic]. They assured me all credits were transferable if I had ever wanted to continue my education elsewhere. Almost all of this was a lie. I've tried to transfer my credits to both 2 and 4 year colleges with no luck."

- 2007, Online: "They said they were accredited by the same agency all school is [sic]. They told me it would be no problem to transfer because they are accredited."
- 2008, DuPage, IL: "I was informed that if I decided to transfer while enrolled that because they were an accredited college any school would accept my credits without any issues. I was told the classes are set up the same as other major schools."
- 2009, Los Angeles, CA: "When we spoke with the representative from Westwood College prior to registering or applying, we asked about how Westwood College classes compared to other colleges and universities, as well as if credits would transfer if I decided to change schools. We were told . . . that the credits would be comparable to other colleges programs. We were told specifically that the credits would transfer to other colleges and universities."
- 2010, Online: "I was misled to believe that my credits would transfer to any ground campus because it was the same as any other college."
- 2011, Online: "I was told my credits would be fully transferable as if I attended a four year brick and mortar college so if I chose to do another program in a local school or continue my degree at a brick and mortar college, each credit could be transferred and equated to another program at another school. I thought that Westwood would be a great way to get my foot in the door and get a degree and with the hopes of going back to school at a local four year college after I found employment."⁷⁹

42. In addition, one former student stated in a sworn affidavit that according to his admissions representative, Westwood's accreditation meant "that my credits would transfer" to any other school and that "a bachelor's degree is a bachelor's degree, and you can take it to any school and move on."⁸⁰

43. In sum, Westwood recruiters told prospective students that Westwood was the same as any other institution and that its credits would transfer just like those of any other institution. In fact, Westwood credits rarely transferred to other institutions.

3. Westwood Exaggerated the Transferability of Its Credits to Other Institutions

44. In addition to mischaracterizing the effect of its national accreditation and falsely equating the transferability of Westwood credits with that of other institutions, Westwood employees also directly exaggerated the transferability of its credits to other institutions. Indeed,

⁷⁹ Appendix D (Statements of Former Students Evidencing that Westwood Misrepresented the Transferability of Its Credits).

⁸⁰ Exhibit 213 ([REDACTED] Aff. (Student, 2010, Denver North), [REDACTED]), at ¶¶ 2-4.

admissions representatives frequently told prospective students that Westwood credits *would transfer* to other institutions.

45. Audio files of recruiter calls and sworn statements from former Westwood students corroborate that Westwood exaggerated the transferability of its credits to other schools — essentially stating that transferability was guaranteed, when in fact Westwood credits would not be transferable to other schools, except in limited circumstances.⁸¹
46. For example, admissions representatives made the following statements to prospective students in recordings reviewed by the Office of the Attorney General of Colorado:
 - ““We are an accredited college...It basically makes your diploma count. It also means that if you ever decide to go to school outside of Westwood after you graduate from here, your credits would transfer to another school.””⁸²
 - ““Nice thing is, the classes are going to transfer out...We’ll help you get your stuff transferred to whatever school you want to go to.””⁸³
 - ““There’s plenty of colleges that you can transfer to and from.””⁸⁴
47. In another recording, a prospective student asked whether “the credits that you accumulate there [at Westwood], do you transfer them out to another school or no,” to which the admissions representative responded, “Yeah. Absolutely. Yeah, our credits are completely transferable.”⁸⁵
48. In addition, several former students have testified or provided sworn affidavits reflecting similar false statements regarding the transferability of Westwood’s credits.⁸⁶ For example, a student who attended Westwood Online starting in 2005 swore: “The admissions representative also told me that any credits I earned at Westwood could be transferred to other schools.”⁸⁷
49. Former students consistently allege in sworn borrower defense applications that Westwood representatives told them their credits would transfer to other schools. For example, borrowers allege:
 - 2002, Denver, CO: “I was told that I could transfer my credits to most local colleges in my area, particularly the community college....I could not find any school that would accept my credits. I am unable to transfer to a four [sic] institution or community college and would have to start over if decided to return to school.”
 - 2004, Online: “At the time they told me that the credits would transfer anywhere in

⁸¹ See *infra* ¶¶ 45–49. Exhibit 205 (Transferring College Credit Webpage).

⁸² Exhibit 73 (██████████ Affidavit), at ¶ 29 (alteration and ellipses in original) (quoting Attachment A, Track 45 (T4-470 at 2:05–2:44)).

⁸³ *Id.* (ellipsis in original) (quoting Attachment A, Track 50 (T1-422 at 40:37–41:10)).

⁸⁴ *Id.* (quoting Attachment A, Track 51 (T1-441 at 1:00:20–1:00:40)).

⁸⁵ Exhibit 214 (Transcript of Audio recording #36_a_rcd (Mar. 10, 2014)), at OAG.Prod.005658–659.

⁸⁶ See *supra* ¶¶ 31, 42, 48.

⁸⁷ Exhibit 215 (██████████ Aff. (Westwood Online, 2005–2006), ██████████, at ¶¶ 6, 10.

Ohio. I found out that our community college did not accept Westwood.”

- 2004, Denver, CO: “They claimed that all of my credits would be transferable to all other major universities. They also falsely claimed that they were regionally accredited.”
- 2007, Denver, CO: “I was told that they were regionally accredited, and my credits would transfer to any other school in the country.”
- 2008, DuPage, IL: “They explained to me that they were regionally accredited throughout the United States. Any credits earned there would be able to transfer.”
- 2008, Online: “Every time I would start a new semester for the school I would ask [sic] if the credits would transfer to other schools especially local schools in Alabama and every time I was assured and promised that most if not all credits would transfer anywhere.”
- 2009, O’Hare, IL: “They claimed National accreditation was better than Regional, and that any school I moved to would accept [the credits].”
- 2010, Denver, CO: “School said I could transfer credits to leading institutions in Colorado such as Metro or CU.”
- 2011, Upland, CA: “When enrolling I was informed that Westwood College was a regional accreditation school. That all credits were transferrable to any and all other colleges. I was informed that I was able to transfer these credit [sic] to finish this degree or to pursue a higher education such as a Master degree.”
- 2012, DuPage, IL: “Like I already mentioned in the previous post, I informed Westwood that I would be transferring to Nursing school and I wanted to make sure my credits would transfer. They said that all my credits would transfer to Chamberlain nursing or College of Dupage. They didn't transfer to either of the schools and I ended up having to re-take all my classes and pay double! They were very misleading and I believed what they were telling me which was all a big lie!”
- 2013, Upland, CA: “Yes, I was advised at the very beginning that all credits would be transferable and accepted at any UC or Cal state. I later found out that was not the case. The school was not accredited to transfer all credits. I would have to start from zero. I sacrifice[d] so much to attend Westwood College to find out in the end that it was a waste of money, time and effort. This has only caused me stressed and huge financial burden.”
- 2014, DuPage, IL: “The school said that all credits where [sic] transferable, but they did not meet any requirements of other schools.”
- 2015, Denver, CO: “[T]hey told us that all credits would be able to transfer and we could further or [sic] education or finish what we started with Westwood. That was a lie. I tried to transfer my credits to American University and they would not accept them.”⁸⁸

⁸⁸ Appendix D (Statements of Former Students Evidencing that Westwood Misrepresented the Transferability of Its Credits).

50. Westwood often exaggerated the transferability of its credits by informing prospective students that Westwood credits would transfer to other institutions, without acknowledging transfer was only possible in limited circumstances.⁸⁹
51. Through the tactics described above — i.e. mischaracterizing the effect of Westwood’s national accreditation, equating Westwood credits with those of other institutions, and exaggerating the transferability of its credits by frequently telling prospective students that Westwood credits would transfer to other institutions— Westwood misrepresented the transferability of its credits to prospective students.⁹⁰

C. Westwood Misrepresentations were Prevalent and Consistent Across All Campuses and Its Online Program Between 2002 and 2015

52. By exaggerating the transferability of its credits, Westwood gave borrowers the misleading impression that their credits would transfer. As discussed below, borrowers nationwide who enrolled between 2002 and 2015 consistently allege that Westwood misled them regarding the transferability of Westwood credits. The consistency of these allegations reflects both the fact that misleading statements were sanctioned by Westwood’s national leadership⁹¹ and that Westwood centralized the creation of misleading trainings that were then used across campuses.⁹²
53. As of April 28, 2021, the Borrower Defense Group (“BDG”) had received over [REDACTED] borrower defense applications from former Westwood students. Of these applications, at least [REDACTED] applications (or about [REDACTED]) alleged that Westwood misled them regarding the transferability of their credits.⁹³
54. Borrowers who enrolled between 2002 and 2015 consistently allege that Westwood misled them concerning the transferability of credits.⁹⁴ This includes over [REDACTED] borrower applications from each year between 2003 and 2014 as catalogued in Appendix D.⁹⁵

⁸⁹ Exhibit 205 (Transferring College Credit Webpage).

⁹⁰ See *supra* § (B) (demonstrating that Westwood recruiters misrepresented or exaggerated the transferability of its credits to prospective students in several ways).

⁹¹ See *supra* ¶¶ 7, 37–39.

⁹² See § II, ¶ 4, note 8 (citing testimony from a former Vice President of Training & Operations, a former Chief Operating Officer and a former Chief Administrative Officer regarding the consistency of training and policies across campuses).

⁹³ The Department received Westwood applications in a wide variety of formats, including narratives written in Word documents, emails, forms provided by BDG, and some forms prepared by third parties. The applications offer each borrower’s individual account of what happened at their school. See Exhibit 194 (Report of all Westwood Cases).

⁹⁴ See Appendix D (Statements of Former Students Evidencing that Westwood Misrepresented the Transferability of Its Credits).

⁹⁵ See Exhibit 216 (Report of All Westwood Transfer of Credit Allegations Organized by Enrollment Date, Borrower Defense Group (on file with Department)).

55. Transfer of credit allegations are also pervasive across all of Westwood’s nineteen campuses, which were spread across six states, as well as its online program, which enrolled students across the country.⁹⁶

56. The similarity of statements from borrowers who attended Westwood across campuses and states between 2002 and 2015 indicates that the misleading statements occurred system-wide and was a part of Westwood’s culture of enticing students to enroll.⁹⁷ The following representative sample of statements from former Westwood students demonstrates Westwood’s pattern of frequently leaving borrowers with the impression that their credits would transfer to other institutions:

- 2003, Fort Worth, TX: “Was told all of my class credits earned would be transferable to a state college if I chose to enroll in one after my graduating there, when in fact, upon trying to transfer my credits found out that state colleges would not recognize any of my credits earned in specialized classes at Westwood.”
- 2005, Atlanta, GA: “Was told my credit are transferable to any college in Georgia.”
- 2006, Annandale, VA: “In her discussion, she [i.e. admissions counselor] indicated that the courses Westwood College offered were accredited and easily transferrable to local Jr College and State University Architecture programs....I tried to transfer Westwood college credits but sadly zero credits were transferrable.”
- 2007, Denver, CO: “I was told that my credits would transfer to Front Range Community College....I was promised that my credits would transfer to other colleges without an issue. I come to find out no other community college will accept my credits from Westwood college.”
- 2008, Los Angeles, CA: “I was told by my counselor and recruiter that my school credits will count towards any transfer school I would like to attend, like UCLA, UC Northridge, etc. I was told to stay at Westwood College by recruiter in order to get all my credits and just transfer to another school to get the rest of the college credits and graduate there.”
- 2010, Arlington, VA: “Yes, Westwood program director said at any time while attending the school you can transfer credits to any other college. As well as if you planned on pursuing future education elsewhere. This information was very

⁹⁶ See Exhibit 217 (Report of All Westwood Transfer of Credit Allegations Organized by State, Borrower Defense Group (on file with Department)). The ‘School State’ identified in the appendix is based on borrower-provided information in the borrower’s application regarding the specific campus location attended. Where the applicant does not identify the specific campus location attended, BDG identifies the ‘School State’ as ‘Online’ by default. For more information on when specific campuses opened and closed, see Appendix A (Westwood Campus Open and Close Information).

⁹⁷ See Appendix D (Statements of Former Students Evidencing that Westwood Misrepresented the Transferability of Its Credits); and see § II, ¶¶ 12, 14 (showing recruiters misled prospective students by presenting themselves as prospective students’ advisors and friends), ¶¶ 18–28 (showing recruiters made misleading statements claiming Westwood was a selective institution, requiring a “personal recommendation,” and that there were limited spots for new students); and see § III(A)(4)–(5) (recruiters made misleading assurances to prospective students that they could obtain police officer positions with Westwood’s Criminal Justice degree).

misleading because as I tried to apply for another college I was told my credits couldn't be transferred."

- 2011, O'Hare, IL: "Westwood College told me it was accredited, so if I decide to go to a different school in the future, credits would transfer over. I attend Triton College and absolutely none of the credits transferred."
- 2012, Denver, CO: "I was told more than once that Westwood College was an accredited school and that my credits would transfer anywhere in the continental United States."
- 2013, Atlanta, GA: "Westwood College promised that all credits earned was [sic] transferable which was clearly not the case."
- 2015, Atlanta, GA: "Told me if I were to transfer school that my credits would go with me. They don't/didn't transfer."⁹⁸

57. [REDACTED] of former Westwood students who attended Westwood campuses and Westwood Online across the country between 2002 and 2015 have submitted transfer of credit allegations to the Department.⁹⁹ The similarity of these statements demonstrates a clear pattern of Westwood misleading prospective students regarding the transferability of Westwood credits.

D. Westwood Students Considered the Transferability of Westwood Credits When Enrolling

58. The misrepresentations described *supra* were significant. Former Westwood students have attested to the fact that the transferability of credits was an important issue for them when they decided to enroll at Westwood.

59. Sworn borrower defense statements describe how important the transferability of Westwood's credits was to borrowers when they decided to enroll:

- 2004, Denver, CO: "I was advised that they were an accredited organization and as such any of the credits I earned would be accepted at any other accredited college, which was important to me since I was unclear if I would do well in an online format and wanted the ability to switch to a traditional college if needed. In 2009 I had a discussion with my HR rep through my job an[d] was told that I was almost not hired because I mentioned Westwood on my resume, which they considered a sign of poor judgement. I then applied to other local schools and found out that nobody, including Community Colleges, accepted credits from Westwood, so everything I got was useless."
- 2006, River Oaks, IL: "As stated before the school notified my [sic] that all credits are transferable to any higher education college or university I wanted. I asked this

⁹⁸ Appendix D (Statements of Former Students Evidencing that Westwood Misrepresented the Transferability of Its Credits).

⁹⁹ For a representative sampling, see Appendix D (Statements of Former Students Evidencing that Westwood Misrepresented the Transferability of Its Credits).

question directly. It was this answer that made me go to this college....I was attending this school with full intentions on leaving and attending one of my three other choices. Not only did all three turn me down but one laughed in my face and I was turned down by about a dozen other colleges and universities....One school went as far as to tell me, 'I bought a really expensive sheet of printer paper.'”

- 2007, Online: “Absolutely, this was one of the main reasons why I decided to go to this school. I asked about potentially transferring to a local school just in case the online learning was not for me. The recruiter assured me that all my credits would be eligible for transfer, this was not the case.”
- 2007, Denver, CO: “The Westwood recruiter told me prior to enrolling that all of my Westwood credits could be transferred to any public school. I found out later that was a lie since the school did not have the required regional authorization. I never would have enrolled at Westwood College if I were aware that there was a problem of credits being accepted by public schools.”
- 2008, Torrance, CA: “Yes, the school clearly told me that I would be able to transfer my credits without a problem. When I tried to do so I was told that! [sic] had to start over and repay for everything....Had I known this beforehand I never would have enrolled.”
- 2009, Arlington, VA: “Upon enrolling, I was clear that I would likely need to complete my education elsewhere but I wanted to start my educational career at Westwood. I was told I would have no trouble transferring my credits to any major school in my area. I had plans to transfer my credits to UDC, in Washington, DC but my credits were not transferable. I also inquired about enrolling into Maryland University, who wouldn't accept my credits.”
- 2012, Los Angeles, CA: “The school misrepresented the fact that they are only Nationally accredited and not Regionally. It's because of this that my credits will not transfer to most schools if I were to chose [sic] to continue with my education. I would effectively need to start from the beginning making the degree I earned useless. I would not have enrolled in Westwood had they disclosed they were not fully accredited.”¹⁰⁰

60. In these and other instances already discussed, borrowers often communicated directly to Westwood that transferring credits was important to them.¹⁰¹ The fact that Westwood employees often exaggerated the transferability of credits when trying to induce students to enroll is further evidence that Westwood knew that transferability was an important consideration for prospective students.

61. Internal Westwood documents also indicate that Westwood knew transferability was important to prospective students.¹⁰² For example, in a survey that asked students about their

¹⁰⁰ *Id.*

¹⁰¹ See *supra* ¶¶ 30–31, 41.

¹⁰² Westwood was also aware that students were interested in the related concept of its accreditation, and Westwood sought to use its accreditation as a selling point. See Exhibit 218 (*Homepage*, WESTWOOD COLL. (Sept. 13, 2002),

reasons for leaving Westwood's online program, one of the six "major themes" for why students dropped out was "[a]ccrediting / credit transfer issues."¹⁰³ Westwood also identified accreditation and transfer of credits as one of the "10 Most Easily Misunderstood Topics by New Students" and "Top 10" topics "most frequently raised by students and/or parents."¹⁰⁴

62. The Career Education Colleges and Universities, an organization that held itself out as the "voice for [Westwood's] sector,"¹⁰⁵ has also highlighted the importance of transferability of credits, stating that "[t]ransfer of credits is an important issue for many students that attend our institutions."¹⁰⁶
63. Over a third of students nationwide transfer within their academic life, according to a 2018 study on transfer and mobility of students in postsecondary institutions, which showed the transfer rate for all students starting at four-year institutions was 38.5% and those starting at two-year institutions was 37.1%.¹⁰⁷ Thus, transferability of credits is a concern for all students, including Westwood students.
64. The likelihood of a Westwood student wanting to transfer to another institution was highly probable as demonstrated by national trends in transferring credits, Westwood's internal documents, and further by the statements of Westwood borrowers.

<http://www.westwood.edu/> [<https://web.archive.org/web/20020913193758/http://www.westwood.edu/>] (starting at least as early as September 2002, the Westwood homepage had a link to its "WHY WESTWOOD" page, that when moused over showed a link to a webpage titled "Accreditations" implying that accreditation was a primary reason to choose Westwood); Exhibit 219 (*Why Choose Westwood?*, WESTWOOD COLL. (Nov. 6, 2006), <http://www.westwood.edu:80/about/whywestwood.aspre>) [<https://web.archive.org/web/20061106123330/http://www.westwood.edu:80/about/whywestwood.aspre>] (citing "Accreditation" among its top eight reasons for "Why Choose Westwood" on its website from at least 2004 to 2006). In addition, various training materials instructed recruiters to reference Westwood's accreditation to "establish rapport," "close" the sale, or build "credibility." See, e.g., Exhibit 74 (ALTA COLLS., INC., *Online Interview Guide* (Nov. 20, 2008)), at WC-1-01-010358 [hereinafter 2008 Online Interview Guide]; see also Exhibit 51 (██████████ Presentation), at WW:HNSY:00870; Exhibit 164 (Coaching Overlays), at WC-2-10-100093.

¹⁰³ Exhibit 220 (ALTA COLLS., INC., *WOL Attrition Survey* (Oct. 2005), https://www.help.senate.gov/imo/media/for_profit_report/Appendixes/Appendix_25/AltaDocument14FINAL.pdf (last visited Apr. 14, 2021)), at HELP-ALTA-000318. A similar attrition survey in 2010 reflected these concerns in more depth, finding, among other concerns that: (1) the study's "key findings" related to student concerns regarding misinformation, accreditation issues, the school's credibility, and the value of the degree and (2) twenty-seven percent of "Angry Ex's" cited "accreditation issues / negative information" as their reason for leaving Westwood. Exhibit 221 (WESTWOOD COLL., *Flash Poll on Factors Contributing to Ground Student Drop Out Rate in March 2010* (Apr. 2010)), at ALTA_000074210–212.

¹⁰⁴ Exhibit 222 (WESTWOOD COLL., *"Top 10 List" Meeting Facilitator's Guide* (undated)), at ALTA_000076977, 990–91.

¹⁰⁵ Exhibit 223 (CAREER EDUC. COLLS. AND UNIVS., *About Us*, <https://www.career.org/about.html> (last visited Apr. 13, 2021)) ("Career Education Colleges and Universities (CECU) is the national organization serving postsecondary career education schools, staff – and most important, our students! ... We are a voluntary membership organization that serves as the national voice for the sector.").

¹⁰⁶ Exhibit 224 (Transcript of Stifel Nicolaus Conference Call (Sept. 16, 2008)), at 10 (on this conference call, the former general counsel for the Career College Association (later renamed Career Education Colleges and Universities) acknowledged that "transfer of credit is an important issue for many students who attend our institutions").

¹⁰⁷ Exhibit 225 (D. SHAPIRO ET AL., *TRANSFER AND MOBILITY: A NATIONAL VIEW OF STUDENT MOVEMENT IN POSTSECONDARY INSTITUTIONS, FALL 2011 COHORT* (SIGNATURE REPORT NO. 15) (National Student Clearinghouse Research Center 2018)).

E. Westwood Created the Impression That Its Credits Would Transfer Despite Limited Written Statements Regarding Transferability

65. As detailed below, Westwood sometimes included written language about limitations on the transferability of its credits in its enrollment materials or on its webpage; at other times it did not.¹⁰⁸ Admissions representatives rushed prospective students through the enrollment process without allowing students a meaningful opportunity to review the documents.¹⁰⁹ When such language was present on Westwood's webpage, it was difficult to locate and often provided contradictory information.¹¹⁰
66. While the location, prominence, and language of these written statements varied, prospective Westwood students were unlikely to have read and understood them. By the time prospective students were presented with the enrollment documents, Westwood representatives had already orally misrepresented the transferability of credits and prospective students had already committed to enrolling at Westwood.¹¹¹ Further, regardless of whether such written materials were presented to students, the evidence indicates that the written materials were insufficient to dispel students' perceptions of Westwood and its recruiters' misleading statements regarding the transferability of Westwood credits.¹¹² The written statements on Westwood's website were difficult to find and also would not have changed a prospective student's understanding of whether credits earned at Westwood would transfer.

1. Written Statements in Westwood's Enrollment Documents

67. Westwood sometimes included written statements regarding the transferability of its credits in some of its enrollment materials. However, the enrollment materials containing such statements were distributed to prospective students or shown to them online only after Westwood recruiters had orally misrepresented the transferability of credits¹¹³ and the prospective student had committed to enrolling.¹¹⁴ Recruiters rushed prospective students through the enrollment process without providing an opportunity for prospective students to review the paperwork in any detail.¹¹⁵ Moreover, the evidence indicates that the written materials regarding the transferability of Westwood credits did not alter the perception of borrowers.¹¹⁶

¹⁰⁸ See *infra* § (E)(1) (describing the various written statements in Westwood's enrollment documents).

¹⁰⁹ See *infra* § (E)(2) (demonstrating that Westwood representatives rushed students through the enrollment process).

¹¹⁰ See *infra* § (E)(3) (describing written statements on Westwood's website regarding transferability).

¹¹¹ See *infra* § (E)(2) (describing the enrollment process).

¹¹² See *supra* § (B) (describing the ways in which Westwood representatives misrepresented/exaggerated the transferability of its credits); *infra* § (E)(2)–(3), and Appendix D (Statements of Former Students Evidencing that Westwood Misrepresented the Transferability of Its Credits).

¹¹³ See *supra* ¶¶ 28–32, 40–41, 46–49.

¹¹⁴ See *infra* ¶¶ 79–82.

¹¹⁵ See *infra* § (E)(2).

¹¹⁶ See Appendix D (Statements of Former Students Evidencing that Westwood Misrepresented the Transferability of Its Credits).

68. According to Westwood policy, the materials that students had to review, fill out, and sign in this short period included the following:

- an Enrollment Agreement consisting almost entirely of fine print, which included an acknowledgement that the student had received a copy of the course catalog;
- an Application for Admission;
- an Arbitration Agreement;
- any program-specific disclosure forms;
- a Family Educational Rights and Privacy Act form;
- a Transcript Request form;
- a Performance Fact Sheet;
- a Student Right to Know document; and
- a course catalog.¹¹⁷

69. Students who enrolled at a brick-and-mortar campus would be given this paperwork at the end of their in-person meeting with an admissions representative, who would quickly walk them through it and tell them where to sign.¹¹⁸ Students who enrolled online would be asked to pull up the enrollment documents through an online portal and walk through them with the admissions representative while still on the phone.¹¹⁹

70. Only two of the documents shown to students included written statements regarding limitations on the transferability of credits earned at Westwood, and these statements (and whether they were included at all) changed over time.¹²⁰ The first document, a Performance Fact Sheet, may have included a statement on transferability at a couple Westwood campuses

¹¹⁷ See generally Exhibit 226 (ALTA COLLS., INC., 440 – *Enrollment Documents: Completing the Enrollment Process* (Feb. 5, 2009)) [hereinafter Enrollment Process].

¹¹⁸ See § II(A)(3) (quoting testimony of former students who said their admissions representatives rushed through the paperwork and told them where to sign. One student testified “I was in an out like 20 minutes of signing up with Westwood” and “they rushed me through to sign, sign, sign, sign. We’ll give you copies. You can read it later.” Exhibit 77 (██████ Deposition), at 47:15-18.)

¹¹⁹ See Exhibit 226 (Enrollment Process), at WC-1-01-017159 (“Ensure your applicant receives a copy [of the enrollment documents], or knows how to go into the OAC [Online Application Center] to get a copy.”).

¹²⁰ Starting in 2006, Enrollment Agreements — consisting of multiple pages of fine print — started including acknowledgements about the limits of transferring credits *into* Westwood but were silent regarding transferring credits *out* of Westwood. See, e.g., Exhibit 227 (WESTWOOD COLL., *Illinois Enrollment Agreement* (2006)). Westwood also provided students with a Student Right to Know sheet, which was sometimes printed on the back of the Performance Fact Sheet (“PFS”). See Exhibit 226 (Enrollment Process) (“If your campus/location does not have a PFS, you will have a ‘Students Right to Know’ from [sic] listed in the OAC. . . . If your campus has a PFS, the Student Right to Know will be printed on the back.”). The PFS stated that students could find Westwood’s policies on transferring credits *into* Westwood from other institutions in Westwood’s academic catalog and website but was silent on the transferability of credits *out* of Westwood to another institution. See, e.g., Exhibit 228 (WESTWOOD COLL. *Performance Fact Sheet*, Annandale (Nov. 2010)) [hereinafter Westwood Annandale 2010 PFS] (“Westwood Colleges’ statement of its current transfer of credit policies, which include established criteria used regarding the transfer of credit from another institution; and any institutions with which it has established articulation agreements.”).

for a few months in 2006.¹²¹ In addition, starting in 2004, Westwood's lengthy course catalogs included statements about the transferability of Westwood credits.¹²²

Statements in Performance Fact Sheets

71. Westwood provided students with, and at times required students to sign, a Performance Fact Sheet. The Performance Fact Sheet listed the graduation and job placement rates for their specific campus and program as part of their enrollment paperwork and for some years it contained a statement regarding the transferability of credits. For example, the 2006 Performance Fact Sheets for three campuses prominently displayed a statement that Westwood's credits and degrees "in most cases will probably not be transferable to any other college or university."¹²³ However, one of these same campuses had another version of the Performance Fact Sheet without the transferability language.¹²⁴ None of the other Performance Fact Sheets produced to the Department prior to 2010 included the language regarding transfer of credits.¹²⁵
72. In 2010, some of Westwood's Performance Fact Sheets introduced a statement on transferability, which stated that acceptance of Westwood credits and degrees at other institutions is "at the complete discretion of the institution to which you may seek to transfer."¹²⁶ However, the statement was not prominently displayed, it did not specifically address the limited transferability of Westwood's credits and most other Performance Fact Sheets at that time failed to include even this limited statement regarding transferability.¹²⁷

¹²¹ Specifically, three campuses may have included statements on Westwood credit transferability in their Performance Fact Sheets in March 2006, although at least one of those campuses also had a March 2006 Performance Fact Sheet without the language and the remaining two campuses had removed the language no later than December 2006. *See infra* ¶ 71.

¹²² *See infra* ¶ 74.

¹²³ *See, e.g.*, Exhibit 229 (WESTWOOD COLL. *Performance Fact Sheet*, River Oaks (Mar. 2006)), at ALTA_000019262)) [hereinafter Westwood River Oaks 2006 PFS] (summarizing 2005 performance statistics); Exhibit 230 (WESTWOOD COLL. *Performance Fact Sheet*, Chicago Loop (Mar. 2006)), at ALTA_000019260; Exhibit 231 (WESTWOOD COLL. *Performance Fact Sheet*, DuPage (Mar. 2006)), at ALTA_000019264.

¹²⁴ *See* Exhibit 229 (Westwood River Oaks 2006 PFS), at ALTA_000019272.

¹²⁵ *See, e.g.*, Exhibit 232 (WESTWOOD COLL., *Performance Fact Sheet*, Chicago O'Hare (Dec. 2006)), at ALTA_000019270; Exhibit 233 (WESTWOOD COLL., *Performance Fact Sheet*, DuPage (Jan. 2008)), at ALTA_000019274; Exhibit 234 (WESTWOOD COLL., *Performance Fact Sheet*, Chicago Loop (Jan. 2008)), at ALTA_000019276; Exhibit 235 (WESTWOOD COLL., *Performance Fact Sheet*, O'Hare Airport (Jan. 2008)), at ALTA_000019278; Exhibit 236 (WESTWOOD COLL., *Performance Fact Sheet*, River Oaks (Jan. 2008)), at ALTA_000019280; Exhibit 237 (WESTWOOD COLL., *Performance Fact Sheet*, DuPage (Apr. 2009)), at ALTA_000019282; Exhibit 238 (WESTWOOD COLL., *Performance Fact Sheet*, Chicago Loop (Apr. 2009)), at ALTA_000019284; Exhibit 239 (WESTWOOD COLL., *Performance Fact Sheet*, River Oaks (Apr. 2009)), at ALTA_000019288.

¹²⁶ *See, e.g.* Exhibit 240 (WESTWOOD COLL., *Performance Fact Sheet*, Anaheim (Nov. 2010)); Exhibit 241 (WESTWOOD COLL., *Performance Fact Sheet*, Inland Empire (Nov. 2010)); Exhibit 242 (WESTWOOD COLL., *Performance Fact Sheet*, Los Angeles (Nov. 2010)); Exhibit 243 (WESTWOOD COLL., *Performance Fact Sheet*, South Bay (Nov. 2010)).

¹²⁷ *See, e.g.*, Exhibit 228 (Westwood Annandale 2010 PFS); Exhibit 244 (WESTWOOD COLL. *Performance Fact Sheet*, Arlington Ballston (Nov. 2010)); Exhibit 245 (WESTWOOD COLL. *Performance Fact Sheet*, Atlanta Midtown (Nov. 2010)); Exhibit 246 (WESTWOOD COLL. *Performance Fact Sheet*, Atlanta Northlake (Nov. 2010)); Exhibit 247 (WESTWOOD COLL. *Performance Fact Sheet*, Chicago Loop (Nov. 2010)); Exhibit 248 (WESTWOOD COLL.

Statements in Course Catalogs

73. Westwood's school catalogs were generally well over 100 pages long.¹²⁸ Westwood policy called for recruiters to wait until after students had signed enrollment documents to provide them with a school catalog and addendum¹²⁹ — that is, students enrolled and acknowledged receiving the course catalog before actually receiving it (much less reviewing and understanding it).¹³⁰ Sometimes the catalog was not provided at all.¹³¹

74. Starting around 2004, the course catalog included brief statements regarding the transferability of Westwood's credits:

Westwood College of Technology does not guarantee the transferability of its credits to any other institution unless there is a written Articulation Agreement with that institution. See the Director of Education for Information on Articulation Agreements.

Transferability of credit is always determined by the receiving institution. It is your responsibility to confirm whether an institution will accept credits from Westwood. It is unlikely that the academic credits you earn at Westwood College will transfer to another school.¹³²

75. Over the years, the language regarding transfer was revised;¹³³ until 2013, the following example appeared on page sixty-five of a single-spaced, 240-page catalog, in bold and capital font:

Performance Fact Sheet, Dallas (Nov. 2010)); Exhibit 249 (WESTWOOD COLL. *Performance Fact Sheet*, Denver North (Nov. 2010)); Exhibit 250 (WESTWOOD COLL. *Performance Fact Sheet*, Denver South (Nov. 2010)); Exhibit 251 (WESTWOOD COLL. *Performance Fact Sheet*, DuPage (Nov. 2010)); Exhibit 252 (WESTWOOD COLL. *Performance Fact Sheet*, Fort Worth (Nov. 2010)); Exhibit 253 (WESTWOOD COLL. *Performance Fact Sheet*, Houston (Nov. 2010)); Exhibit 254 (WESTWOOD COLL. *Performance Fact Sheet*, O'Hare Airport (Nov. 2010)); Exhibit 255 (WESTWOOD COLL. *Performance Fact Sheet*, River Oaks (Nov. 2010)) (River Oaks campus); Exhibit 256 (WESTWOOD COLL. *Performance Fact Sheet*, Online Campus (Nov. 2010)).

¹²⁸ See generally Exhibit 169 (Apr. 2005 Catalog) (95-page catalog); Exhibit 257 (WESTWOOD COLL., 2008 *Catalog: Colorado Campuses*, Vol. 26 – No. 3 (May 2008)) [hereinafter Westwood Colorado 2008 Catalog] (193-page catalog); Exhibit 258 (WESTWOOD COLL., 2015 *Academic Catalog*, Vol. 1 – No. 1 (Oct. 2014), <http://www.westwood.edu/~media/Files/files/pdf/catalogs/all-campus-catalog.ashx> [<https://web.archive.org/web/20141113040406/http://www.westwood.edu/~media/Files/files/pdf/catalogs/all-campus-catalog.ashx>]) (192-page catalog).

¹²⁹ See Exhibit 259 (WESTWOOD COLL., *New Hire Classroom Training*, [REDACTED], Dir. of Admissions Training (Dec. 2007)), at WC-1-01-007828 [hereinafter Westwood New Hire Classroom Training].

¹³⁰ See Exhibit 259 (Westwood New Hire Classroom Training), at WC-1-01-007828.

¹³¹ See § III, ¶ 82 (discussing former students' statements that they never received a copy of the course catalog and that administrators at Westwood would instead give them a list of the courses they needed to take the following semester).

¹³² Exhibit 63 (WESTWOOD COLL., 2004 Catalog: *Illinois Campuses*, Vol. 22 – No. 1 (Oct. 2003)), at ALTA_000014721 (66 page catalog).

¹³³ See, e.g., Exhibit 257 (Westwood Colorado 2008 Catalog), at WC-1-05-023750–51 ("Units you earn at Westwood College in most cases will probably not be transferable to any other college or university.").

Westwood credits will not transfer to other schools and a degree from Westwood will not be honored for admission to an advanced-degree program, except in limited circumstances.

The transferability of credits a student earns at Westwood is at the complete discretion of an institution to which a student may seek to transfer. Acceptance of the degree, diploma, or certificate a student earns at Westwood is also at the complete discretion of the institution to which the student may seek to transfer. If the credits or degree, diploma or certificate that a student earns at this institution are not accepted at the institution to which a student seeks to transfer, the student may be required to repeat some of all of his/her coursework at that institution. For this reason, the student should make certain that his/her attendance at this institution will meet his/her educational goals. This may include contacting an institution to which the student may seek to transfer after attending Westwood to determine if his/her credits or degree, diploma or certificate will transfer.¹³⁴

76. When prospective students received these enrollment documents described above, it marked the first time they were handed written materials containing language about the transferability of Westwood's credits.¹³⁵

2. Westwood Rushed Past Written Statements About Transferability of Credits During the Enrollment Process

77. Despite the inclusion of the written statements described above, the evidence shows that a large number of Westwood students enrolled at the school believing that their credits were transferable to other institutions.¹³⁶ Most enrollments took place in person and the process of presenting students with the enrollment paperwork and obtaining their signatures occurred in a matter of minutes.¹³⁷ Westwood representatives' oral statements undermined any written statements students might have seen.
78. The first and typically the only interaction with prospective Westwood students occurred either on the phone or in-person.¹³⁸ During this interaction, Westwood recruiters presented a sales pitch about Westwood to students, including why they should attend Westwood. During this sales pitch, Westwood's admissions representatives often made statements to prospective students that included the kinds of misrepresentations and exaggerations described above

¹³⁴ Exhibit 260 (WESTWOOD COLL., *2013 Academic Catalog: California/Colorado/Georgia/Virginia*, Vol. 4 – No. 2 (May 2013), http://www.westwood.edu/~media/Files/files/pdf/catalogs/ca_co_ga_va_catalog.ashx [https://web.archive.org/web/20130828013718/http://www.westwood.edu/~media/Files/files/pdf/catalogs/ca_co_ga_va_catalog.ashx]), at 65.

¹³⁵ See generally Exhibit 230 (Enrollment Process) (listing all of the documents that recruiters were required to give prospective students during the enrollment process).

¹³⁶ See *supra* § (C); see also Appendix D (Statements of Former Students Evidencing that Westwood Misrepresented the Transferability of Its Credits).

¹³⁷ See *infra* ¶¶ 65–76 (showing types and length of enrollment materials); 77–78, 82 (showing students and employees describing the rushed process).

¹³⁸ See § II, ¶¶ 29–34 (describing the enrollment process and the sense of urgency it created).

regarding transferability.¹³⁹ Westwood recruiters pressured prospective students to complete the entire enrollment process during this first interaction, including listening to the recruiter's presentation, completing the enrollment paperwork, and paying the application fee.¹⁴⁰

79. During this first and typically only interaction, prior to the student receiving any written statements regarding the transferability of credits, Westwood recruiters were trained to get prospective students to commit to completing the application, obtaining financing, and graduating from Westwood.¹⁴¹

80. Westwood instructed recruiters that after obtaining the prospective students' commitments, they should begin filling in the enrollment paperwork for students, asking the student for their required personal information. This tactic was called an "assumptive close" where "[r]ather than asking them if they want to apply, you assume that they do, based on their answers" to the scripted questions regarding their commitment to enrolling, attending, and graduating from Westwood.¹⁴²

81. After gaining a prospective student's commitment to enroll, Westwood's admissions representatives would rush the prospective student through the enrollment paperwork.¹⁴³ Westwood expected recruiters to get prospective students to review and sign all enrollment paperwork in ten minutes.¹⁴⁴

¹³⁹ See *supra* § (B).

¹⁴⁰ See § II, ¶¶ 29–34 (describing Westwood's emphasis on "closing the sale" and obtaining a "first-time close," in which the prospective students signed an enrollment agreement during the initial phone interview or in-person meeting).

¹⁴¹ Specifically, through its training materials, Westwood instructed recruiters that at the close of completing the Westwood sales pitch, but before reviewing the enrollment documents, they should ask prospective students several scripted questions to gain the student's commitment to completing the application, obtaining financing, and graduating from Westwood. See Exhibit 71 (Admissions Book of Knowledge), at WC-1-12-057826–27 (word-for-word recruiter training script narrative, that Westwood recruiters memorize, stating: "(Prospect Name), part of our enrollment process includes meeting the necessary requirements and taking a placement evaluation. We require all of our applicants to complete this within three days. Is that something you can commit to? We also require our applicants to schedule a time to meet with Student Finance within seven days. Is this something you can commit to? Then if I understand correctly, (prospect name), if [applicant's financial supporters] supports you both emotionally and financially as they indicated they will tonight, and Westwood/Redstone provides you with the educational programs and benefits we discussed, you will do everything in your power to get yourself to school and graduate?").

¹⁴² *Id.* at WC-1-12-057827; see also Exhibit 164 (Coaching Overlays), at WC-2-10-100104 ("Start filling out the handwritten or electronic paperwork by asking for the needed personal information."); Exhibit 74 (2008 Online Interview Guide), at WC-1-01-010364 ("When discussing the application fee don't ask, ASSUME. You already have a prospect that says they are committed."); Exhibit 53 (WESTWOOD COLL., 236: *First Time Finalization* (Mar. 23, 2010)), at ALTA_000005036 (instructing recruiters to obtain a "Commitment 'Summary Confirmation' prior to enrollment" in order to obtain first time finalization).

¹⁴³ See § II(A)(3) (discussing Westwood's rushed enrollment process, including former student testimony and borrower allegations that mention being rushed through the documents and told where to sign, as well as former admissions representative testimony that admissions representative would hurry through the paperwork and that students did not read it).

¹⁴⁴ See Exhibit 74 (2008 Online Interview Guide), at WC-1-01-010364–65 (instructing recruiters that, prior to discussing enrollment paperwork, they were to call a financial aid representative and let them know the student would be ready for them in ten minutes).

82. Former admissions representatives have provided sworn statements that recruiters would spend “[p]robably 5 to 10 seconds” getting prospective students to sign the enrollment agreement and that “the reality is they [i.e. students] did not look at what they’re signing” and “90 percent of them just trust the representative.”¹⁴⁵
83. Sworn borrower statements also confirm that students did not understand the documents they were signing and reviewing:
- 2002, Denver, CO: “I honestly didn’t know what I was signing up for.”
 - 2003, Los Angeles, CA: “They basically just encouraged me to sign. I was naive. They made sound like they were doing me a favor.”
 - 2006, Arlington, VA: “Since I was new to United States and did not understand the language adequately I was misled by the school. I did not understand for what I am signing and how many loans they are taking.”
 - 2008, Denver, CO: “When I was first interest in Westwood, I was hurried through the process of enrollment to ‘try to get into the next semester’. I didn’t understand a lot of what I was signing and the consequences of not understanding that were not made clear to me verbally.”
 - 2009, Denver, CO: “When applying for financial aid, the administrators would rush through all the paperwork and not go over it in detail or explain what I was signing, even though I did not fully understand what I was signing.”
 - 2009, River Oaks, IL: “I remember I did not understand the process at all. I remember being told that if the school was not a good fit I would not owe any money. I was just told sign here and sign here.”
 - 2011, South Bay, CA: “[T]old me if I [sic] didn’t enroll asap that my chances would be slim to none to enroll after a later date. [T]his was a huge lie a tactic to get students to rush through the admin forms not knowing what we were actually signing up for was to attend a school that was a huge dent in our success of being a student at a[n] accredited university.”¹⁴⁶
84. Similarly, former students have made sworn statements that the process was a “whirlwind,” with no time to review documents and no explanation of what the documents meant.¹⁴⁷ The lack of opportunity to comprehend the enrollment paperwork was by design, given that Westwood only allotted ten minutes for prospective students to review, comprehend, and complete well over a hundred pages of enrollment paperwork.¹⁴⁸

¹⁴⁵ See § II, ¶¶ 38–40 (quoting Exhibit 57 (██████████ Statement), at 215:25–216:13 and Exhibit 61 (██████████ Statement), at 116:12–16).

¹⁴⁶ Appendix E (Statements of Former Students Evidencing that Westwood Rushed Prospective Students Through Enrollment).

¹⁴⁷ See § II, ¶ 37 (quoting Exhibit 78 (██████████ Aff. (Student, 2005–2008, Denver South), ██████████, at ¶ 11).

¹⁴⁸ See *supra* ¶¶ 68–69, 73, 75, 81, 84. Again, Westwood advised recruiters that by the time they started filling in the enrollment paperwork for students, the student had already agreed to attend Westwood — a so-called “assumptive close.” See *supra* ¶ 80.

85. Sworn borrower statements also confirm that borrowers were rushed through the enrollment process and were provided inadequate time to review documents:

- 2002, Los Angeles, CA: “Rushed my registration. Told me I had to hurry before class starts. Also charged me to enroll money that I was told I was going to get back.”
- 2004, Los Angeles, CA: “They rushed me to sign and rushed my father to take out a parent plus loan for me without knowing the nature of the loan, and without having provided us an explanation to the terms.”
- 2006, O’Hare, IL: “It appeared I had to rush and make a decision, or else the classes/seats would be filled up.”
- 2006, Annandale, VA: “I was rush to enroll quickly because was told classes are filling up and may have to wait until the next quarter to get in.”
- 2007, Denver, CO: “Yes, the whole thing was very rushed and confusing. The school kept telling me that I was going to miss my opportunity and that I would have to wait months before being able to enroll.”
- 2008, DuPage, IL: “I was rushed to make a decision to enroll because they advised the cost would change for enrollment in the coding and billing certificate program soon and i [sic] had to enroll to secure the current price of the certificate before the cost of the degree increased.”

86. In sum, Westwood recruiters verbally misrepresented the transferability of its credits to prospective students.¹⁴⁹ Westwood then had prospective students commit to attending Westwood before they received any documents that discussed or referenced the transferability of Westwood credits.¹⁵⁰ After signing the enrollment agreement and application for admission — neither of which discussed the transferability of Westwood credits — prospective students were handed over a hundred pages of written materials (which sometimes included statements relating to transferability of credits) without being provided a meaningful opportunity to review the documents.¹⁵¹ Westwood recruiters were trained to enroll people quickly, and to avoid allowing prospective students time to question their enrollment decision.¹⁵² Prospective students had no opportunity to digest the information they received at the end of the enrollment process,¹⁵³ and hundreds of borrower statements corroborate that the materials had no effect on the students’ understanding about the transferability of Westwood credits.¹⁵⁴

¹⁴⁹ See *supra* § (B) (describing several ways in which Westwood representatives misrepresented/exaggerated the transferability of its credits).

¹⁵⁰ See *supra* ¶¶ 79–81.

¹⁵¹ See *supra* ¶¶ 68–69, 73–84.

¹⁵² See *supra* ¶ 76.

¹⁵³ See *supra* ¶¶ 73–84.

¹⁵⁴ See Appendix D (Statements of Former Students Evidencing that Westwood Misrepresented the Transferability of Its Credits). Even at the three schools (i.e. River Oaks, Chicago Loop, O’Hare, and DuPage) that may have shown prospective students performance facts sheets in March 2006 that contained disclaimers regarding transferability,

3. Written Statements Regarding Limitations on Transferability on Westwood's Website

87. Until 2009, Westwood's website did not address whether Westwood credits would transfer to other institutions. During that time, the website addressed whether Westwood would accept credits from other schools but did not mention whether credits earned at Westwood would transfer elsewhere.¹⁵⁵
88. Starting around May 2009, Westwood's website included a "Transferring College Credit" webpage, which was multiple clicks away from the homepage.¹⁵⁶ At the bottom of the page appeared the statement, "No college can guarantee the transferability of its credits to any other institution," and noted that as such, "Units you earn at Westwood College in most cases will probably not be transferable to any other college or university."¹⁵⁷ The statement was not prominently displayed.¹⁵⁸
89. Beginning in 2010, the website also included "Q&A" pages addressing transferability of credits. Westwood updated these "Q&A" pages over the years; the earliest version stated that there was "no guarantee that credits will be transferable" and "in most cases your Westwood credits will not be transferable to other schools."¹⁵⁹ Later versions said "[i]t is unlikely that credits earned at Westwood College will transfer to other institutions, regardless of accreditation"¹⁶⁰ and "except in limited circumstances, your Westwood credits will not be transferable to other schools."¹⁶¹

students still understood Westwood's misrepresentations to mean credits would transfer. *See supra* ¶ 68. For example, borrower applications state: (i) "As stated before the school notified my [sic] that all credits are transferable to any higher education college or university I wanted. I asked this question directly. It was this answer that made me go to this college." (enrolled October 2006 at River Oaks); (ii) "I was told I could transfer but when I attempted to do so I was informed the. Credits [sic] earned were useless." (enrolled May 2006 at Chicago Loop); (iii) "They advised that my daughters [sic] credits would be transferred to any university that she would like to advance in her education." (enrolled May 2006 at O'Hare); (iv) "We were promised credits would transfer to any school and we could continue are education and gain licenses in the field, but not even the local community colleges would take a single credit from Westwood College of DuPage" (enrolled May 2006 at DuPage). Appendix D (Statements of Former Students Evidencing that Westwood Misrepresented the Transferability of Its Credits).

¹⁵⁵ *See, e.g.*, Exhibit 267 (*Transfer-In Credits*, WESTWOOD COLL. (Mar. 5, 2009),

<http://www.westwood.edu/admissions/transfer-in-credits.asp>

[<https://web.archive.org/web/20090305103628/http://www.westwood.edu/admissions/transfer-in-credits.asp>]).

¹⁵⁶ To review this webpage, the prospective student would start by clicking into Westwood's homepage. Exhibit 268 (*Homepage*, WESTWOOD COLL. (June 13, 2009), <http://www.westwood.edu/>

[<https://web.archive.org/web/20090613104805/http://www.westwood.edu/>]). Then, they would click on the Admissions tab. Exhibit 269 (*Admissions*, WESTWOOD COLL. (June 27, 2009),

<http://www.westwood.edu/admissions/>

[<https://web.archive.org/web/20090627211751/http://www.westwood.edu/admissions/>]). Then they would click the link for "Transferring College Credit" among a list on the left-hand side of the page. Exhibit 205 (*Transferring College Credit Webpage*).

¹⁵⁷ Exhibit 205 (*Transferring College Credit Webpage*).

¹⁵⁸ *Id.* *See supra* note 156 (explaining the process on how to get to the webpages' statements on transfer of credits).

¹⁵⁹ Exhibit 206 (*Credit Transfer Q&A Webpage* 2010).

¹⁶⁰ Exhibit 207 (*Credit Transfer Q&A Webpage* 2012); Exhibit 176 (*Credit Transfer Q&A Webpage* 2015).

¹⁶¹ Exhibit 176 (*Credit Transfer Q&A Webpage* 2015); *see also* Exhibit 207 (*Credit Transfer Q&A Webpage* 2012) ("in most cases your Westwood credits will not be transferable to other schools").

90. This language was undermined by statements on the same webpage like those described *supra* — statements that falsely equated transferring Westwood credits to transferring credits from other institutions or misinformed prospective students regarding the likelihood of Westwood credits transferring to other institutions.¹⁶² The language on the website also was not prominently displayed and a webpage user would have to click through multiple links to find it, and once they were on the webpage, the language was not in bold, or emphasized.¹⁶³ Moreover, Westwood’s enrollment paperwork and presentation did not direct students to its website for disclaimers regarding transferring credits out of Westwood, and students would have had no time (or reason) to review Westwood’s website during the rushed enrollment process.¹⁶⁴ Finally, there is substantial evidence that even if students reviewed Westwood’s website, it did not cure recruiter statements exaggerating the transferability of Westwood credits.¹⁶⁵

F. Overall Conclusions

91. The evidence in BDG’s possession relating to alleged transfer of credits misrepresentations at Westwood establishes the following facts by a preponderance of the evidence:

- Westwood’s academic credits rarely transferred to other institutions, and Westwood knew its credits rarely transferred.
- Nevertheless, between at least 2002 and 2015, Westwood made widespread misrepresentations exaggerating the transferability of its credits. Westwood mischaracterized the effect of its national accreditation; falsely equated Westwood credits with credits earned at other institutions; and claimed that Westwood credits generally transferred or that its credits were on par with those of other schools.
- Between at least 2002 and 2015, Westwood’s misrepresentations were consistent over time and across its multiple campuses and online program. Westwood’s transfer of credit exaggerations consistently left borrowers with the false impression that they would be able to transfer their credits to other institutions.

¹⁶² See *supra* ¶¶ 26, 37–39.

¹⁶³ Exhibit 206 (Credit Transfer Q&A Webpage 2010); Exhibit 207 (Credit Transfer Q&A Webpage 2012); Exhibit 176 (Credit Transfer Q&A Webpage 2015). See *supra* note 157 (explaining the process on how to get to the webpages’ statements on transfer of credits).

¹⁶⁴ See *supra* § (E)(1) (describing materials shown to students during enrollment), (E)(2) (describing rushed enrollment process in which students had ten minutes to review, comprehend, and complete over 100 pages of enrollment paperwork).

¹⁶⁵ See Appendix D (Statements of Former Students Evidencing that Westwood Misrepresented the Transferability of Its Credits).