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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

APOLLO EDUCATION GROUP, INC., an Arizona corporation; and **THE UNIVERSITY OF PHOENIX, INC.,** an Arizona corporation,

Defendants.

Case No.

[PROPOSED] FINAL JUDGMENT AND PERMANENT INJUNCTION

[STIPULATION FOR ENTRY OF FINAL JUDGMENT filed concurrently herewith]

Plaintiff, the People of the State of California (“People” or “Plaintiff”), appearing through its attorney, Rob Bonta, Attorney General of the State of California, by Supervising Deputy Attorney General Bernard A. Eskandari and Deputy Attorney Generals Monica J. Zi and Amy Chmielewski, and Apollo Education Group, Inc. and The University of Phoenix, Inc. (collectively, “Defendants”), appearing through their attorneys, Douglas Whitney of the Douglas Whitney Law Offices LLC and Gil M. Soffer of Katten Muchin Rosenman LLP have stipulated to the entry of this Final Judgment and Permanent Injunction (“Judgment”) by the Court without the taking of proof and without trial or adjudication of any issue of fact or law, and with Defendants denying any liability or wrongdoing, and with the People and Defendants (collectively, the “Parties”) having waived their right to appeal any issue of fact or law arising

1 from the allegations addressed by this Judgment.

2 The Court having considered the matter and the Stipulation filed concurrently herewith, and
3 good cause appearing:

4 IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

5 1. This Court has jurisdiction over the allegations and subject matter of the People's
6 Complaint filed in this action, and the parties to this action; venue is proper in this County; and
7 this Court has jurisdiction to enter this Judgment.

8 **DEFINITIONS**

9 2. The following definitions shall apply for purposes of this Judgment:

10 a. "Defendants" means Apollo Education Group, Inc. and The University of
11 Phoenix, Inc.

12 b. "Effective Date" means the date on which this Judgment is entered by the
13 Court.

14 c. "Career and hiring fairs" means events attended by multiple employers to
15 provide attendees with information about employment positions and career opportunities at their
16 organizations.

17 d. "Military Installation" includes without limitation, any base, camp, post,
18 station, yard, center, armory, office, building, headquarters, airfield, station, vessel, recruiting
19 office, or other activity or facility in the State of California under the jurisdiction of the Secretary
20 of Defense, the Coast Guard, or the Adjutant General of California, including any leased facility.

21 e. "Solicitation" or "solicit" means any attempt to market to, advertise to, or
22 induce a commercial transaction with any member of the public, including requesting an
23 individual's personal information in order to facilitate solicitation in the future.

24 **INJUNCTION**

25 3. The injunctive provisions of this Judgment shall apply to Defendants as well as
26 their subsidiaries, successors, and the assigns of all or substantially all of the assets of their
27 business, and the directors, officers, employees, agents, and independent contractors, of each of
28 them.

1 4. Under Business and Professions Code sections 17203 and 17535, Defendants are
2 hereby enjoined and restrained from engaging in any of the following acts or practices:

3 a. Violating California’s Unfair Competition Law (UCL), at Business and
4 Professions Code Section 17200, et seq., or California’s False Advertising Law (FAL), at
5 Business and Professions Code 17500, et seq., in Defendants’ entry upon or activities undertaken
6 at Military Installations, or in their solicitation efforts, including their efforts to solicit
7 servicemembers, veterans, or military family members as Defendants’ students, employees or
8 agents.

9 b. Violating Title 32, Section 50.6, subdivision (d) of the Code of Federal
10 Regulations, relating to personal commercial solicitation on Military Installations.

11 c. Soliciting on or at Military Installations, at career and hiring fairs, at
12 Yellow Ribbon or other pre- or post-deployment events, at Morale, Welfare and Recreation
13 (MWR) events, and during on-installation educational office hours, if such solicitation is for the
14 purposes of encouraging student enrollment.

15 d. Attending or participating in the following events or activities on Military
16 Installations:

17 i. Mandatory events for servicemembers, including training sessions,
18 orientations, command briefings, and other events or activities as
19 set forth in Title 32, Section 50.6, subdivision (d)(1) of the Code of
20 Federal Regulations; and

21 ii. Career and hiring fairs, unless the representative attending such
22 events has duties primarily relating to the recruitment and hiring of
23 employees and is attending solely for the purpose of hiring
24 employees.

25 e. Using retiree, dependent, reserve, or other personally issued Department of
26 Defense (DOD), Department of Homeland Security (DHS), or California Military Department
27 identification cards or vehicle decals to gain access to Military Installations for the purposes of
28 conducting Defendants’ business, without also obtaining the written approval required in

1 Paragraph 7 of this Judgment.

2 f. Using military seals in Defendants' marketing and promotional materials
3 and products, including in the form of challenge coins.

4 5. Defendants shall comply with all applicable statutes, regulations, orders, and
5 contractual requirements concerning access to Military Installations and in their solicitation
6 activities directed to servicemembers, veterans, or military family members.

7 6. Defendants shall comply with DOD Instruction (DODI) No. 1322.25, any
8 successor DODI pertaining to the Voluntary Education Partnership program, and any related
9 memoranda of understanding or other related agreements between Defendants and DOD
10 pertaining to the Voluntary Education Partnership program. However, to the extent that the terms
11 of this Judgment impose restrictions beyond those set forth in DODI No. 1322.25 or any such
12 memoranda or agreement, the terms of this Judgment shall control.

13 7. Before accessing any Military Installation for the purpose of conducting
14 Defendants' business, Defendants shall obtain written approval from the Education Services
15 Officer (ESO) or other official authorized by the installation commander in accordance with
16 DODI 1322.25 and any successor DODI pertaining to the Voluntary Education Partnership
17 program.

18 8. Defendants are not prohibited from providing commercial sponsorship for MWR
19 events occurring on Military Installations. However, Defendants shall not obtain any personal
20 information of attendees at any such events. Defendants shall not request or induce any
21 recognition of their sponsorship from the Military Installation or MWR entity, except that
22 Defendants may request acknowledgment of their sponsorship in print materials distributed on the
23 Military Installation, such as event-specific flyers or programs, or newsletters circulated within
24 the Military Installation community.

25 9. Defendants shall comply with the internal policies of their Office of Military and
26 Veterans Affairs (OMVA), including the Military Installation Access Standard Operating
27 Procedure, and notify the California Attorney General's Office of any material changes to such
28 policies. However, to the extent that the terms of this Judgment impose restrictions on the

1 permissible activities of Defendants beyond those set forth in Defendants' internal policies, the
2 terms of this Judgment shall control.

3 COMPLIANCE

4 10. Defendants shall provide trainings at least once a year to all employees who access
5 Military Installations for the purpose of conducting Defendants' business. Such trainings shall
6 have the purpose of ensuring employees' compliance with applicable federal, state, and local law
7 and regulations, and DOD regulations, instructions, and guidance, relating to access to Military
8 Installations, and relating to the solicitation activities directed to servicemembers, veterans or
9 military family members.

10 11. For three years after the execution of this Judgment, Defendants shall complete
11 annual audits addressing their efforts to comply with the injunctive provisions described above.

12 12. Defendants shall prepare and provide reports to the California Attorney General's
13 Office documenting their compliance with the injunctive provisions described above. The first
14 compliance report shall be provided 180 days after the Effective Date. Two additional reports
15 shall be provided thereafter on an annual basis. The annual reports shall include the following
16 information:

17 a. A list of events occurring on Military Installations attended by Defendants
18 for the purpose of conducting Defendants' business (excluding faculty and student meetings),
19 including the name, date, location, and purpose of the event, and documentation reflecting
20 installation access approval and the number of attendees;

21 b. A list of events for servicemembers, veterans, or military family members
22 occurring off Military Installations attended by Defendants for the purpose of conducting
23 Defendants' business, including the name, date, location, and purpose of the event, and the
24 number of attendees;

25 c. A list of sponsorships that Defendants provided to any Military
26 Installation, Installation events, or MWR entity, including a description of the sponsorship and
27 amount of the sponsorship;

28 d. Certification that Defendants have provided required trainings to their

1 employees;

2 e. Any findings of material non-compliance in an audit described in
3 Paragraph 11 and any actions planned or taken in response to such findings.

4 13. For three years after the execution of this Judgment, Defendants shall prepare and
5 provide to the California Attorney General's Office annual reports on the number of
6 servicemembers and veterans residing in California who have enrolled during the reporting
7 period, their degree or program of enrollment, and their sources of funding; and the number of
8 continuing servicemembers and veteran students residing in California enrolled on an ongoing
9 basis during the reporting period.

10 14. For purposes of further ensuring compliance with this Judgment, the California
11 Attorney General's Office shall, upon reasonable notice to Defendants, be permitted to inspect
12 and obtain copies of records related to Defendants' access to Military Installations.

13 **MONETARY PROVISIONS**

14 15. Defendants shall pay \$3,500,000.00 to the California Attorney General's Office
15 pursuant to Business and Professions Code sections 17206 and 17536. This amount, which is
16 inclusive of investigative costs, and any interest accrued thereon, shall be allocated and used as
17 provided in Section 17206 of the Business and Professions Code. Payment shall be made within
18 14 days of the Effective Date, pursuant to instructions provided by the California Attorney
19 General's Office.

20 16. Defendants shall also pay \$1,000,000.00 to the California Attorney General's
21 Office for the benefit of the following nonprofit military service relief organizations, and to
22 support their activities, which include financial counseling and the provision of financial
23 assistance to military personnel and families: (1) Army Emergency Relief, (2) Navy-Marine
24 Corps Relief Society, (3) Air Force Aid Society, and (4) Coast Guard Mutual Assistance.
25 Payment shall be made within 14 days of the Effective Date, pursuant to instructions provided by
26 the California Attorney General's Office. The California Attorney General's Office shall
27 distribute funds to the aforementioned organizations in amounts roughly proportionate with each
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1 military service's number of active duty personnel in California, and in a reasonably timely
2 manner.

3 17. In the event that any funds paid pursuant to Paragraph 16 remain undistributed
4 after five years following entry of this Judgment, they shall be used by the California Attorney
5 General's Office for the enforcement of consumer protection laws, at the sole discretion of the
6 California Attorney General's Office.

7 **OTHER TERMS**

8 18. Nothing in this Judgment alters the requirements of federal or state law to the
9 extent they offer greater protection to consumers.

10 19. No part of this Judgment shall create, waive, release or limit any private cause of
11 action.

12 20. This Court retains jurisdiction over this Judgment and the Parties hereto for the
13 purpose of enabling the Parties to apply to the Court for such orders or directions as may be
14 necessary or appropriate for the construction or modification of the injunctive provisions of this
15 Judgment, and for the enforcement of this Judgment, and for any other purpose authorized by
16 law.

17 21. Unless otherwise directed by the People, Defendants shall provide all submissions,
18 requests, communications, or other documents related to this Judgment by email to the following:

19	Monica J. Zi	Amy Chmielewski
20	Deputy Attorney General	Deputy Attorney General
	Monica.Zi@doj.ca.gov	Amy.Chmielewski@doj.ca.gov

21 22. The clerk is ordered to enter this Judgment forthwith.
22

23 ORDERED AND ADJUDGED at San Diego, California.
24

25 DATED: _____
26

27 _____
28 JUDGE OF THE SUPERIOR COURT