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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN FRANCISCO

UCHENNA AGUOCHA, JOSECARLOS AZUA, SEVERIANO BADAJOZ, ERIK BATISTA, KENNY D. BATISTA, SALVADOR BECERRA, LUC BOETTNER, WILLIAM BOGANS, ERIC BOTCHER, ANSEL BRIDGEWATER, CONNOR CAHILL, FAITH CHIKWEKWE, TONY A. CIOARA, EDWIN T. CLOUD, BRIANT M. DE OLIVEIRA, MARQUAVIOUS DRAGGON, SAMUEL D. GALIZIA, RAMON GERONIMO, SUKHROBJON GOLIBBOEV, BRIAN R. HANS, COREY HARRILAL, MAKHMUD ISLAMOV, ANISHA JAIN, TIMOTHY KAING, JONATHAN N. KOPP, ANASTASIOS T. LAMBROU, THOMAS LEE, MICHAEL LOUBIER, WENZEL ROSCOE LOWE, MADHUR MALHOTRA, DUNCAN MACDONALD, DANH PHU R. NGUYEN, JAKE NISENBOIM, MATTHEW PHRAXAYAVONG, ALEXANDER R. REILLY, JAMES A. REZENDES, JOE REZENDES, JUAN PABLO RODRIGUEZ, RICARDO RODRIGUEZ, ERICK SANCHEZ, WEERACHAI NICHOLAS SWIFT, WINNIE WEN, ALEX PENA, PHYLLIS M. WONG, NOAH WOODWARD, MINGZE XU, and ASIM ZAIDI

Plaintiffs,

v.

MAKE SCHOOL, INC., MAKE SCHOOL ABC, LLC, MAKE SCHOOL ISA SPV, LLC, VEMO EDUCATION, INC., and DOES 1 through 10,

Defendants.

Case No.

COMPLAINT FOR

1.) **DECLARATORY AND INJUNCTIVE RELIEF**
2.) **VIOLATION OF CALIFORNIA BUSINESS & PROFESSIONS CODE § 17200**
3.) **VIOLATION OF CALIFORNIA BUSINESS AND PROFESSIONS CODE § 17500**
4.) **VIOLATION OF CAL. CIV. CODE §§ 1788-1788.3**
5.) **UNJUST ENRICHMENT**

JURY TRIAL DEMANDED

Plaintiffs UCHENNA AGUOCHA, JOSECARLOS AZUA, SEVERIANO BADAJOZ, ERIK BATISTA, KENNY D. BATISTA, SALVADOR BECERRA, LUC BOETTNER, WILLIAM BOGANS, ERIC BOTCHER, ANSEL BRIDGEWATER, CONNOR CAHILL, FAITH CHIKWEKWE, TONY A. CIOARA, EDWIN T. CLOUD, BRIANT M. DE OLIVEIRA, MARQUAVIOUS DRAGGON, SAMUEL D. GALIZIA, RAMON GERONIMO, SUKHROBJON GOLIBBOEV, BRIAN R. HANS, COREY HARRILAL, MAKHMUD ISLAMOV, ANISHA JAIN, TIMOTHY KAING, JONATHAN N. KOPP, ANASTASIOS T. LAMBROU, THOMAS LEE, MICHAEL LOUBIER, WENZEL ROSCOE LOWE, MADHUR MALHOTRA, DUNCAN MACDONALD, DANH PHU R. NGUYEN, JAKE NISENBOIM, MATTHEW PHRAXAYAVONG, ALEXANDER R. REILLY, JAMES A. REZENDES, JOE REZENDES, JUAN PABLO RODRIGUEZ, RICARDO RODRIGUEZ, ERICK SANCHEZ, WEERACHAI NICHOLAS SWIFT, WINNIE WEN, ALEX PENA, PHYLLIS M. WONG, NOAH WOODWARD, MINGZE XU, and ASIM ZAIDI (collectively, the "Plaintiffs") complain and allege as follows against Defendants MAKE SCHOOL, INC., MAKE SCHOOL ABC, LLC, MAKE SCHOOL ISA SPV, LLC, VEMO EDUCATION, INC., and DOES 1 through 10.

PRELIMINARY STATEMENT

1. Plaintiffs are former students of Defendant Make School, Inc. ("Make School"), a private start-up computer science college in San Francisco, California. Plaintiffs attended Make School between 2016 and 2021.

2. During this time, Make School aggressively marketed and promoted Defendant Vemo Education Inc.'s income share agreements, or ISAs, as an alternative to traditional student loans. At its core, an ISAs is a consumer financial product in which the borrower is obligated to pay a percentage of his or her future income in exchange for not having to pay tuition up front.

3. In marketing and promoting its ISA tuition model, Make School promoted the Vemo ISA agreements as cost-efficient and beneficial for students. But the ISAs offered to Plaintiffs, as well as to other Make School students, were predatory, risky, and exorbitantly expensive. To induce Plaintiffs to sign ISAs, Make School and Vemo actively concealed and

misrepresented the actual long-term cost of those agreements, which, if used to finance the entire two-year program plus living expenses, could cost over a quarter of a million dollars, or four times or more than the purported market rate of the educational services provided over just two years. Make School also misrepresented and concealed the true nature of its financial interest in students' success, including by falsely representing that Make School's "incentives" were aligned with the students because it only got paid after students found employment and got paid. The truth is, Make School's real incentive was to sign as many students up for ISAs as possible so that it could package and sell those ISAs to investors and take out loans secured by the ISAs in order to fund operations.

4. Make School further concealed the fact that up until July of 2018, it was an unaccredited institution without approval to operate in the state pursuant to Education Code § 94886. As such, any agreement entered into prior to that date is void and unenforceable. *Id.* § 94917. Nevertheless, Vemo, as the purported servicer of the ISA agreements, has attempted to and will continue attempting to collect 25% or more of several of Plaintiffs' and other students' pre-tax income under ISAs signed before Make School had approval to operate. In many instances, Vemo is attempting to collect over $2,500 per month, which is more than some of Plaintiffs' monthly rent or mortgage.

5. The above Plaintiffs who signed ISAs prior to the school having approval to operate in the State seek, among other things, (i) a declaration that any ISAs entered into prior to Make School receiving approval to operate are invalid and unenforceable, (ii) a preliminary and permanent injunction restraining and enjoining the current holder of those ISA contracts from enforcing those ISAs, or, if Defendants are not the current owners of the ISAs, enjoin the current owner(s) from ever collecting on the ISAs (iii) restitution and disgorgement of all monies wrongfully collected pursuant to those ISAs, and (iv) attorneys' fees and costs pursuant to Code of Civil Procedure § 1021.5.

6. In addition, Plaintiffs bring this action under the California Unfair Competition Law (Cal. Bus. & Prof. Code § 17200) and the California False Advertising Law (Cal. Bus. &

Prof. Code § 17500) stemming from Make School and Vemo's false, deceptive, and misleading statements concerning the actual cost of Make School's ISA program and its financial interest in students' success. Plaintiffs seek cancellation of theirs and other students' ISA agreements, disgorgement of all the ill-gotten gains obtained to the detriment of Make School students, all available damages, punitive damages, declaratory and public injunctive relief, and all other available relief.

PARTIES

7. Defendant MAKE SCHOOL, INC. ("Make School") is a California corporation with its principal place of business in San Francisco, California. At all relevant times, Make School was a venture-backed, for-profit startup college offering a two-year computer science program.

8. Defendant VEMO EDUCATION, INC. ("Vemo") is a Delaware for-profit company with its principal place of business in Arlington, Virginia. Vemo provides income share agreement related services to a wide array of postsecondary educational institutions, from universities to short-term, unaccredited vocational programs based across the country, including California.

9. Defendant MAKE SCHOOL ABC, LLC is a Massachusetts limited liability company with its principal place of business in Boston, Massachusetts. MAKE SCHOOL ABC, LLC was formed in June of 2021 for the sole purpose of being the assignee to receive all assets and liabilities from MAKE SCHOOL, INC. for the benefit of Make School's creditors pursuant to California law. Plaintiffs are informed and believe, and thereon allege, that all of Make School's ISA contracts are owned by MAKE SCHOOL ABC, INC. through its wholly-owned subsidiary, Defendant MAKE SCHOOL ISA SPV, LLC.

10. Plaintiffs' claims are asserted against Defendants MAKE SCHOOL ABC, LLC and/or MAKE SCHOOL ISA SPV, LLC pursuant to the FTC holder rule and related California law, which preserves Plaintiffs' right to assert all available claims and defenses against the holder of the ISAs even if those contracts are assigned to a third party.

11. Defendants sued herein as DOES 1-10 are individuals or corporations who may own all or a portion of Plaintiffs' ISAs and/or any other ISA used to finance Make Schools program.

The 2016 Cohort

12. Plaintiff Kenny Batista is an individual currently residing in Denver County, Colorado. Mr. Batista attended Make School for one year, beginning in September of 2016, and during that time he lived in San Francisco County, California. Mr. Batista withdrew from Make School after one year because he was not provided with the educational services promised and/or the program was too expensive and not necessary for him to become gainfully employed. Mr. Batista signed two ISAs with Make School dated September 15, 2016 and September 24, 2016.

13. Plaintiff Marquavious Draggon is an individual currently residing in San Francisco County, California. Mr. Draggon attended Make School from October 2016 to June 2017, and during that time he lived in San Francisco County, California. Mr. Draggon withdrew from Make School after one year because he was not provided with the educational services promised and/or the program was too expensive and not necessary for him to become gainfully employed. Mr. Draggon signed one ISA agreement with Make School dated October 19, 2016.

14. Plaintiff Brian R. Hans is an individual currently residing in San Francisco County, California. Mr. Hans attended Make School from September 2016 to June 2017, and during that time he lived in San Francisco County, California. Mr. Hans withdrew from Make School after one year because he was not provided with the educational services promised and/or the program was too expensive and not necessary for him to become gainfully employed. Mr. Hans signed one ISA agreement with Make School on October 3, 2016.

15. Plaintiff Corey Harrilal is an individual currently residing in San Francisco County, California. Mr. Harrilal attended Make School from September 2016 to April 2018, and during that time he lived in San Francisco County, California. Mr. Harrilal signed four ISAs with Make School dated September 28, 2016, September 29, 2016, September 14, 2017, and September 19, 2017.

16. Plaintiff Anastasios T. Lambrou is an individual currently residing in San Francisco County, California. Mr. Lambrou attended Make School from September 2016 to May 2018, and during that time he lived in San Francisco County, California. Mr. Lambrou signed four ISAs with Make School—two dated September 22, 2016, and two dated September 18, 2017.

17. Plaintiff Michael Loubier is an individual currently residing in Maricopa County, Arizona. Mr. Loubier attended Make School from September 2016 to May 2018, and during that time he lived in San Francisco County, California. Mr. Loubier signed four ISAs with Make School dated September 19, 2016, October 28, 2016, September 14, 2017, and October 31, 2017.

18. Plaintiff Madhur Malhotra is an individual currently residing in Alameda County, California. Mr. Malhotra attended Make School from September 2016 to 2018, and during that time he lived in San Francisco County, California. Mr. Malhotra signed four ISAs with Make School—two in September of 2016 and two in September of 2017.

19. Plaintiff Jake Nisenboim is an individual currently residing in Toronto, Canada. Mr. Nisenboim attended Make School for one year, beginning in September 2016, and during that time he lived in San Francisco County, California. Mr. Nisenboim withdrew from Make School after one year because he was not provided with the educational services promised and/or the program was too expensive and not necessary for him to become gainfully employed. Mr. Nisenboim signed one ISA with Make School dated September 28, 2016.

20. Plaintiff Alex Pena is an individual currently residing in Santa Clara County, California. Mr. Pena attended Make School for one year, beginning in September of 2016, and during that time he lived in San Francisco County, California. Mr. Pena withdrew from Make School after one year because he was not provided with the educational services promised and/or the program was too expensive and not necessary for him to become gainfully employed. Mr. Pena signed two ISAs with Make School dated September 24, 2016 and September 28, 2016.

21. Plaintiff Alexander R. Reilly is an individual currently residing in San Francisco County, California. Mr. Reilly attended Make School for one year, beginning in September

2016, and during that time he lived in San Francisco County, California. Mr. Reilly withdrew from Make School after one year because he was not provided with the educational services promised and/or the program was too expensive and not necessary for him to become gainfully employed. Mr. Reilly signed one ISA with Make School dated September 27, 2016.

22. Plaintiff Juan Pablo Rodriguez is an individual currently residing in Santa Rita Cholul, Mexico. Mr. Rodriguez attended Make School for one year, beginning in October 2016, and during that time he lived in San Francisco County, California. Mr. Rodriguez withdrew from Make School after one year because he was not provided with the educational services promised and/or the program was too expensive and not necessary for him to become gainfully employed. Mr. Rodriguez signed two ISA with Make School dated September 27, 2016 and October 3, 2016.

23. Plaintiff Weerachai Nicholas Swift is an individual currently residing in San Francisco County, California. Mr. Swift attended Make School for one year, beginning in October 2016, and during that time he lived in San Francisco County, California. Mr. Swift withdrew from Make School after one year because he was not provided with the educational services promised and/or the program was too expensive and not necessary for him to become gainfully employed. Mr. Swift signed two ISAs with Make School dated September 19, 2016 and September 27, 2016.

24. Plaintiff Winnie Wen is an individual currently residing in Alameda County, California. Ms. Wen attended Make School for one year, beginning in September of 2016, and during that time she lived in San Mateo County, California. Ms. Wen withdrew from Make School after one year because she was not provided with the educational services promised and/or the program was too expensive and not necessary for her to become gainfully employed. Ms. Wen signed one ISA with Make School dated September 16, 2016.

The 2017 Cohort

25. Plaintiff Uchenna Aguocha is an individual currently residing in Davidson County, Tennessee. Mr. Aguocha attended Make School from September of 2017 to May of

2019, and during that time he lived in San Mateo County, California. Mr. Aguocha withdrew from Make School because he was not provided with the educational services promised and/or the program was too expensive and not necessary for him to become gainfully employed. Mr. Aguocha signed four agreements with Make School—two dated August 29, 2017, and two dated August 5, 2018.

26. Plaintiff Ansel Bridgewater is an individual currently residing in Contra Costa County, California. Mr. Bridgewater attended Make School from August 2017 to May 2020, and during that time he lived in San Francisco County, California. Mr. Bridgewater signed two ISAs with Make School dated August 31, 2017 and August 24, 2018.

27. Plaintiff Tony A. Cioara is an individual currently residing in Yamhill County, Oregon. Mr. Cioara attended Make School from September 2017 to May 2020, and during that time he lived in San Francisco County, California. Mr. Cioara signed two ISAs with Make School dated August 26, 2017 and August 24, 2018.

28. Plaintiff Briant M. De Oliveira is an individual currently residing in Los Angeles County, California. Mr. De Oliveira attended Make School from August 2017 to September 2020, and during that time he lived in San Francisco County, California. Mr. De Oliveira signed five ISAs with Make School—two dated August 29, 2017, two dated October 1, 2018, and one dated August 29, 2019.

29. Plaintiff Samuel D. Galizia is an individual currently residing in Los Angeles County, California. Mr. Galizia attended Make School from September 2017 to November 2019, and during that time he lived in San Francisco County, California. Mr. Galizia withdrew from Make School after one year because he was not provided with the educational services promised and/or the program was too expensive and not necessary for him to become gainfully employed. Mr. Galizia signed five ISAs with Make School—two dated August 30, 2017, one dated December 1, 2017, and two dated August 17, 2018.

30. Plaintiff Duncan L. MacDonald is an individual currently residing in Sonoma County, California. Mr. MacDonald attended Make School from September 2017 to June 2019,

and during that time he lived in San Francisco County, California. Mr. MacDonald signed five ISAs with Make School—two dated August 29, 2017, one dated October 18, 2017, one dated May 23, 2018, and one dated August 19, 2018.

31. Plaintiff James A. Rezendes is an individual currently residing in San Francisco County, California. Mr. Rezendes attended Make School for one year, beginning in September of 2017, and during that time he lived in San Francisco County, California. Mr. James A. Rezendes withdrew from Make School after one and a half years because he was not provided with the educational services promised and/or the program was too expensive and not necessary for him to become gainfully employed. Mr. James A. Rezendes signed five ISAs with Make School—two dated August 20, 2017, one dated May 23, 2018, one dated August 19, 2018, and one dated May 2, 2019.

32. Plaintiff Mingze Xu is an individual currently residing in Allegheny County, Pennsylvania. Ms. Xu attended Make School for one year, beginning in September of 2017, and during that time she lived in San Francisco County, California. Ms. Xu withdrew from Make School after one year because she was not provided with the educational services promised and/or the program was too expensive and not necessary for her to become gainfully employed. Ms. Xu signed one ISA with Make School dated August 18, 2017.

33. Plaintiff Phyllis Wong is an individual currently residing in Alameda County, California. Ms. Wong attended Make School for one year, beginning in August of 2017, and during that time she lived in San Francisco County, California. Ms. Wong withdrew from Make School after one year because she was not provided with the educational services promised and/or the program was too expensive and not necessary for her to become gainfully employed. Ms. Wong signed three ISAs with Make School—one dated August 22, 2017, and two dated August 18, 2018.

The Late-2017 Cohort

34. Plaintiff Erick Sanchez is an individual currently residing in Sonoma County, California. Mr. Sanchez attended Make School for one year, beginning in November of 2017, and during that time he lived in San Francisco County, California. Mr. Sanchez withdrew from Make School after one year because he was not provided with the educational services promised and/or the program was too expensive and not necessary for him to become gainfully employed. Mr. Sanchez signed four ISAs with Make School dated December 14, 2017, December 15, 2017, and two dated January 4, 2019.

35. Plaintiff Josecarlos Azua is an individual currently residing in Miami-Dade County, Florida. Mr. Azua attended Make School from January 2018 to December 2020, and during that time he lived in San Francisco County, California. Mr. Azua signed five ISAs with Make School—two dated December 20, 2017, one dated November 14, 2018, one dated July 24, 2019, and one dated October 15, 2019.

36. Plaintiff Joe Rezendes is an individual currently residing in San Francisco County, California. Mr. Rezendes attended Make School from January of 2018 to January of 2019, and during that time he lived in San Francisco County, California. Mr. Rezendes withdrew from Make School after one year because he was not provided with the educational services promised and/or the program was too expensive and not necessary for him to become gainfully employed. Mr. Rezendes signed five ISAs with Make School—one dated December 12, 2017, one dated December 15, 2017, one dated May 23, 2018, and two dated August 29, 2018.

The 2018 Cohort

37. Plaintiff Severiano Badajoz is an individual currently residing in Orange County, California. Mr. Badajoz attended Make School from August of 2018 to May of 2020, and during that time he lived in San Francisco County, California. Mr. Badajoz signed two ISAs with Make School—one dated August 19, 2018, and one dated May 3, 2019.

38. Plaintiff Erik Batista is an individual currently residing in Denver County, Colorado. Mr. Batista attended Make School from August of 2018 to May of 2021, and during

that time he lived in San Francisco County, California and Denver County, Colorado. Mr. Batista signed five ISAs with Make School—two dated September 4, 2018, two dated April 26, 2019, and one dated September 14, 2020.

39. Plaintiff Salvador Becerra is an individual currently residing King County, Washington. Mr. Becerra attended Make School from August of 2018 to 2020, and during that time he lived in San Francisco County, California. Mr. Becerra signed five ISAs with Make School—two dated August 18, 2018, two dated April 28, 2019, and one dated May 19, 2020.

40. Plaintiff Luc Boettner is an individual currently residing in Santa Cruz County, California. Mr. Boettner attended Make School beginning in of July of 2018, and during that time he lived in San Francisco County, California. Mr. Boettner withdrew from Make School in May of 2020 because he was not provided with the educational services promised and/or the program was too expensive and not necessary for him to become gainfully employed. Mr. Boettner signed four ISAs with Make School—two dated August 20, 2018, one dated April 28, 2019, and one dated April 29, 2019.

41. Plaintiff Eric Botcher is an individual currently residing in El Durado County, California. Mr. Botcher attended Make School for one year, beginning in August of 2018, and during that time he lived in Alameda County, California. Mr. Botcher withdrew from Make School after one year because he was not provided with the educational services promised and/or the program was too expensive and not necessary for him to become gainfully employed. Mr. Botcher signed three ISAs with Make School dated September 17, 2018, September 19, 2018, and April 26, 2019.

42. Plaintiff William Bogans is an individual currently residing in Chatham County, Georgia. Mr. Bogans attended Make School from April of 2018 to December 2020, and during that time he lived in San Francisco County, California. Mr. Bogans signed five ISAs with Make School—two dated September 16, 2018, one dated April 26, 2019, one dated April 28, 2019, and one dated May 15, 2020.

43. Plaintiff Connor Cahill is an individual currently residing in Los Angeles County,

California. Mr. Cahill attended Make School from September of 2018 to September of 2019 and during that time he lived San Francisco County, California. Mr. Cahill withdrew from Make School after one year because he was not provided with the educational services promised and/or the program was too expensive and not necessary to become gainfully employed. Mr. Cahill signed one ISA with Make School dated August 18, 2018.

44. Plaintiff Faith Chikwekwe is an individual currently residing in San Francisco, County California. Ms. Chikwekwe attended Make School beginning in August of 2018, and during that time she lived in San Francisco County, California. Ms. Chikwekwe withdrew from Make School after one year because she was not provided with the educational services promised and/or the program was too expensive and not necessary for her to become gainfully employed. Ms. Chikwekwe signed three ISAs with Make School—two dated August 17, 2018 and one dated April 26, 2019.

45. Plaintiff Edwin Cloud is an individual currently residing in Travis County, Texas. Mr. Cloud attended Make School beginning in August of 2018, and during that time he lived in San Francisco County, California. Mr. Cloud withdrew from Make School after one year because he was not provided with the educational services promised and/or the program was too expensive and not necessary for him to become gainfully employed. Mr. Cloud signed four ISAs with Make School—two dated August 16, 2018 and two dated April 27, 2019.

46. Plaintiff Ramon Geronimo is an individual currently residing in Broward County, Florida. Mr. Geronimo attended Make School from August of 2018 to September of 2020, and during that time he lived in San Francisco County, California. Mr. Geronimo signed four ISAs with Make School—two dated August 17, 2018, and two dated April 28, 2019.

47. Plaintiff Sukhrobjon Golibboev is an individual currently residing in King County, Washington. Mr. Golibboev attended Make School from August of 2018 to August of 2020, and during that time he lived in San Francisco County, California. Mr. Golibboev signed five ISAs with Make School—one dated August 16, 2018, one dated August 18, 2018, two dated April 30, 2019, and one dated September 5, 2019.

48. Plaintiff Makhmud Islamov is an individual currently residing in San Francisco County, California. Mr. Islamov attended Make School from August of 2018 to 2020, and during that time he lived in San Francisco County, California. Mr. Islamov signed four ISAs with Make School—one dated August 16, 2018, one dated August 18, 2018, one dated April 29, 2019, and one dated May 3, 2019.

49. Plaintiff Anisha Jain is an individual currently residing in Santa Clara County, California. Ms. Jain attended Make School from August of 2018 to 2020, and during that time she lived in San Francisco County, California. Ms. Jain signed three ISAs with Make School—one dated August 17, 2018, one dated May 2, 2019, and one dated May 6, 2019.

50. Plaintiff Timothy Kaing is an individual currently residing in Maricopa County, Arizona. Mr. Kaing attended Make School from August of 2018 to July of 2020, and during that time he lived in San Francisco County, California. Mr. Kaing signed two ISAs with Make School—one dated November 2, 2018, and one dated May 13, 2019.

51. Plaintiff Jonathan N. Kopp is an individual currently residing in Orange County, California. Mr. Kopp attended Make School from August of 2018 to December of 2020, and during that time he lived in San Francisco County, California. Mr. Kopp signed four ISAs with Make School—two dated August 19, 2018, and two dated April 28, 2019.

52. Plaintiff Thomas Lee is an individual currently residing in San Francisco County, California. Mr. Lee attended Make School from August of 2018 to September of 2020, and during that time he lived in San Francisco County, California. Mr. Lee withdrew from Make School after one year because he was not provided with the educational services promised and/or the program was too expensive and not necessary for him to become gainfully employed. Mr. Lee signed two ISAs with Make School—one dated August 17, 2018 and one dated June 12, 2019.

53. Plaintiff Wenzel Roscoe Lowe is an individual currently residing in Contra Costa County, California. Mr. Lowe attended Make School from August of 2018 to May of 2020, and during that time he lived in San Francisco County, California. Mr. Lowe signed two ISAs with

Make School—one dated August 18, 2018, one dated April 26, 2019.

54. Plaintiff Danh Phu R. Nguyen is an individual currently residing in Los Angeles County, California. Mr. Nguyen attended Make School from August of 2018 to August of 2020, and during that time he lived in San Francisco County, California. Mr. Nguyen signed two ISAs with Make School—one dated August 20, 2018, one dated June 12, 2019.

55. Plaintiff Matthew Phraxayavong is an individual currently residing in Sacramento County, California. Mr. Phraxayavong attended Make School from August of 2018 to December of 2020, and during that time he lived in San Francisco County, California. Mr. Phraxayavong signed four ISAs with Make School—two in the Fall of 2018 and two in the Spring of 2019.

56. Plaintiff Ricardo Rodriguez is an individual currently residing in Los Angeles County, California. Mr. Rodriguez attended Make School from September of 2018 to December of 2020, and during that time he lived in San Francisco County, California. Mr. Rodriguez signed five ISAs with Make School—two dated August 16, 2018, two dated April 26, 2019, and one dated May 14, 2020.

57. Plaintiff Noah Woodward is an individual currently residing in Worcester County, Massachusetts. Mr. Woodward attended Make School from August of 2018 to May of 2019. Mr. Woodward withdrew from Make School after one year because he was not provided with the educational services promised and/or the program was too expensive and not necessary for him to become gainfully employed. Mr. Woodward signed one ISA agreement with Make School dated August 17, 2018.

58. Plaintiff Asim Zaidi is an individual currently residing in DuPage County, Illinois. Mr. Zaidi attended Make School beginning in September of 2018, and during that time he lived in San Francisco County, California. Mr. Zaidi withdrew from Make School after one year because he was not provided with the educational services promised and/or the program was too expensive and not necessary for him to become gainfully employed. Mr. Zaidi signed three ISAs with Make School—two dated September 17, 2018 and one dated April 2019.

JURISDICTION AND VENUE

59. This Court has jurisdiction over Plaintiffs' claims pursuant to California Code of Civil Procedure section 410.10 and 410.40.

60. Venue is proper in this judicial district pursuant to California Code of Civil Procedure section 395(a) because a substantial part of the events giving rise to the claims herein occurred in San Francisco County and because Defendant Make School has its principal place of business in San Francisco County.

FACTUAL ALLEGATIONS

A. Make School, Inc.

61. At all relevant times, Make School was an experimental, venture-backed, for-profit startup college in San Francisco, California.

62. Make School was originally founded in 2012 as "MakeGamesWithUS" by co-founders Jeremy Rossmann and Ashutosh Desai. In 2014, the company changed its mission and also changed its name to Make School. In promotional videos, Make School has been referred to as an "anti-College" or as a "college replacement for founders and developers."[1]

63. For over four years following Make School's inception (from 2014 until mid-2018), Make School operated without any accreditation from a regional accrediting institution.

64. In addition, from 2014 to mid-2018, Make School operated without the required approval to operate from the California Bureau of Private Postsecondary Education (the "BPPE") in violation of the California Private Postsecondary Education Act of 2009. *See* Cal. Ed. Code § 94886 (a postsecondary institution "shall not open, conduct, or do business as a private postsecondary educational institution in [California] without obtaining approval to operate.")

65. Make School currently offers a two-year Bachelors Degree in applied computer science that emphasizes "practical computer science skills" (such as building apps) as opposed to more theoretical concepts taught in traditional Computer Science curriculums found at four-year universities. According to one news article, Make School is "a combination of a short-term

[1] https://www.youtube.com/watch?v=6rT00QXqZak (posted December 3, 2015).

coding bootcamp and a traditional four-year university."[2]

B. Make School's ISA Tuition Model

66. While Make School was operating as an unaccredited and unapproved institution, Make School charged students between $50,000 and $70,000 in tuition depending on the academic year enrolled. That is more than the average in-state tuition costs for obtaining a four-year degree from a University of California ("UC") institution or from a California State University during the same time period. Per year, Make School's tuition costs exceed many private university tuition rates, including Stanford University's prestigious undergraduate program.

67. One of the main differences between Make School and other colleges is the way in which Make School collects tuition. Between 2016 and 2020, Make School, in partnership with Vemo, encouraged students to pay for tuition and living expenses with educational income share agreements, or "ISAs."

68. At their core, ISAs are consumer financial products in which students promise to pay a percentage of their future income in exchange for money to pay their tuition and/or living expenses.

69. While proponents of ISAs tout them as "innovative," in substance they are no different than traditional student loan products. Like with a traditional loan, a student's account is credited, and no money is due up front for tuition or fees. In exchange, the student promises to repay the tuition at a later time (*i.e.*, after graduation or after leaving the program). Under an ISA, students repay the loan by either:

a. paying a fixed "payment cap" that is higher than the sum the student received (sometimes 2-4 times as much in the case of Make School's ISAs), or

b. making payments, calculated according to a formula in the agreement that is based on the student's income, over a period determined in the agreement.

[2] https://www.bizjournals.com/sanfrancisco/news/2018/11/27/make-school-dominican-accredited-bachelors-degrees.html (Nov. 27, 2018).

70. Make School partnered with Defendant Vemo to design and implement the ISA program, which could be used to fund not only tuition, but also living expenses so that students could afford to live in San Francisco while attending school full-time. In one informational session in the Spring of 2017 on income share agreements, Make School co-founder Jeremy Rossmann, touted that Make School and Vemo were "literally the world pioneers in income share agreements" and that Make School "invented some of this stuff [i.e., income share agreements] together with Vemo."

71. Vemo is a for-profit company that, designs, implements, and manages ISA programs for its partners. Plaintiffs are informed and believe, and thereon allege, that the ISA contracts are primarily drafted by Vemo.

72. Plaintiffs are informed and believe, and thereon allege, that postsecondary educational institutions like Make School that participate in Vemo's ISA program agree to market and sell the ISA contracts to students using Vemo marketing materials.

73. After a student enters into an ISA contract, the educational institution pays a fee to Vemo in exchange for Vemo (1) collecting money from the student after the student completes or leaves the computer science program, and (2) returning some portion of that money to the institution.

74. While Make School's ISAs avoid terminology associated with credit and loans (such as "principal" and "interest") and claim not to be "credit" or "loans," they are just another type of student loan or credit agreement. The only difference between traditional income-based repayment on a conventional student loan and Make School's ISAs is that the cost of Make School's ISA program is exorbitant and Make School used deceptive rhetoric and marketing that obscured the true nature of these agreements, as set forth in more detail below.

C. 2015-2018: Make School Induces Plaintiffs to Sign Multiple Income Share Agreements Without Disclosing the True Nature of Those Agreements

75. At the time Plaintiffs were considering attending Make School, their payment options were either to (1) pay $30,000 to $40,000 for year one, and $20,000 to $30,000 for year

two depending on the year enrolled, for a total of $50,000 to $70,000 in tuition, plus living expenses while attending school full-time, or (2) enter into ISA agreements with Make School to finance that tuition and living expenses.

76. During that time, Make School aggressively marketed and promoted Vemo's ISA agreements as superior to traditional tuition and/or student loan models.

77. The ISAs offered to Make School students were primarily marketed to undergraduate students, including those in their late teens and early twenties who have not had significant experience with financial products, much less the complex shopping involved in selecting between ISAs and other options to finance their education. Moreover, compared to the technology industry generally, prospective, former, and current Make School students are disproportionately from non-affluent families who lack the resources to pay out-of-pocket for a Make School program or for a traditional four-year university. According to Make School's own promotional statements, 40% of students were underrepresented minority students and 50% come from low-income families.[3]

78. In marketing its ISA model, Make School used marketing tools that were endorsed and promoted by Vemo, and used deceptive rhetoric and marketing that concealed the actual cost of those agreements, as described below.

Make School and Vemo's Marketing of the ISA Agreements as Superior to Traditional Loans

79. Make School, in conjunction with Vemo, marketed the ISA tuition model as superior to so-called "traditional colleges," and in doing so, misled students to believe that financing the Make School program through ISA agreements would leave them better off financially and in less debt compared to students who chose to attend a four-year university. As set forth below, those statements grossly misrepresented (a) the actual total cost of the ISAs versus conventional loans, (b) the proportion of their income students would pay compared to other income-based repayment programs available with traditional loans, and (c) the deferment, forbearance, forgiveness, and enforcement options available for traditional loans versus the ISAs.

[3] https://www.ycombinator.com/companies/make-school.

80. In 2016 and 2017, Make School claimed that students could finance their tuition by pledging 25% of their future earnings for three years and six months (42 months). For students who wished to borrow living expenses while they attended school full-time, those students could "obtain an extension" of their ISA (*i.e.*, take out an additional ISA) to receive a living stipend of $1,500 per month. In total, Make School falsely claimed that students could expect to pay $90,000 in tuition if they fully financed the program with a ISA.[4]

Make School is a pioneer in the Income-Based Repayment (IBR) tuition model for higher education. Income-Based Repayment Tuition means that students can pay their tuition to the Product Academy by pledging a percentage of their future earnings. Make School may offer a student Full, Partial, or Half IBR tuition.

Payment Option	Up-Front Tuition	% of Pre-Tax Salary	Months of IBR
Full IBR	$0/yr	25%	3 Years + 6 Months
Partial IBR (US)	$7,500/yr	25%	2 Years + 6 Months
Half IBR	$15,000/yr	25%	1 Year + 6 Months

Income share agreement table (2017)

Move slider to see ISA range

No ISA 1/2 ISA 3/4 ISA **Full ISA**

$0 upfront tuition (paid in quarterly installments over two years)

42 months of tuition payback at **25%** of gross salary (6 month internship + 3 years of work)

$3,300 average monthly take home salary (after taxes and tuition)

$90,000 expected total tuition paid

[4] https://web.archive.org/web/20161108192456/https://www.makeschool.com/admissions#tuition (Nov. 8, 2016); https://web.archive.org/web/20170606203733/https://www.makeschool.com/product-college/admissions (June 6, 2017).

81. In 2018, Make School began advertising a slightly different but no better ISA program. Make School advertised on its website in 2018 that students could pay their year one tuition in full by pledging 20% of their future earnings for 36 months and pay their year two tuition by pledging 20% of their future earnings for an additional 24 months. For students who wished to borrow living expenses while they attended school full-time, those students could "stack" additional ISAs onto their tuition ISAs, which would provide a living stipend of $1,500 per month in exchange for the student pledging and additional 5-7% of his or her future earned income after graduation.[5]

82. In one widely disseminated promotional video created in 2018, Make School's founder Jeremy Rossmann falsely stated that tuition for Make School's program was "70k up front if you choose that option [i.e., paying up front out of pocket], *or about 100k if you choose the income share option, and that's for a full bachelors*."[6]

83. These statements are false. Make School and Vemo failed to disclose that four or more ISAs would need to be signed to fully fund the program for two years—and ***each*** of those ISAs had maximum payment obligations or "payment caps" between $40,500 and $100,000 on average. As set forth in the chart below, depending on the year enrolled, tuition alone could cost students between $140,500 and $175,000, and room and board could cost an additional $81,000 to $108,000, depending on the students' future income. Accordingly, the potential liability under a typical Make School/Vemo ISA package far exceeds any tuition and/or room and board costs that could conceivably be paid for comparable four-year universities offering undergraduate degrees (or any graduate program for that matter). The actual cost of financing the Make School program with ISAs for two years could potentially cost students over a quarter of a million dollars, which equals about four times the purported market rate for those "training services." In

[5] https://web.archive.org/web/20180709042552if_/https://www.makeschool.com/product-college/tuition-and-aid (July 6, 2018).

[6] facebook.com/KOMONews/videos/is-this-silicon-valley-colleges-pay-nothing-until-you-get-a-job-tuition-plan-the/2254301184845481 (Posted December 12, 2018).

many instances, Plaintiffs' income share obligation exceeds $3,000 per month and/or is more than their monthly rent or mortgage.[7]

Year first enrolled at Make School	Actual funds credited to student's account for tuition over two-year program	Average funds provided for rent and living expenses over the two-year program	Maximum potential liability under Tuition ISAs (i.e., "payment cap")	Maximum potential liability under living stipend ISAs (i.e., "payment cap")	Total potential liability to students financing program through ISAs
2016 Cohort	$50,000	$27,000	$140,500	$81,000	**$221,000**
2017 Cohort	$60,000	$36,000	$160,000	$108,000	**$268,000**
2018 Cohort	$70,000	$31,500	$175,000	$94,500	**$269,500**

84. Moreover, and to make matters worse, Make School's statements concerning the term of its ISA program (*i.e.*, the number of months students would have to make income share payments) were also false and misleading because they incorrectly imply that a student's income-share obligations under the ISAs would cease within forty-two to sixty months depending on the year signed and whether the student also signed an ISA for living expenses, or when the student hit the payment cap (summarized above), whichever came first.

85. In reality, one tuition ISA was required each year, and one or more living stipend ISAs would be needed each year to cover living expenses while attending school full-time—and *each and every* ISA could be extended up to 36 additional months. The ISAs were paid one after the other in the case of the 2016 Cohort, 2017 Cohort and Late-2017 Cohort, or, in the case of the 2018 Cohorts, in sets of two (year one ISAs, then year two ISAs). The practical result was that students would remain obligated to share income for a significantly longer period of time than advertised—sometimes for ten years or more—thereby ensuring that Make School and

[7] This chart reflects the total potential liability for students financing Make School's program with four ISA contracts (a tuition and stipend ISA for year one, and a tuition and ISA stipend for year two). Some students needed to take out a fifth ISA for living expenses if they were unable to complete the program in two years, which came with its own payment cap that added on to the other payment caps, resulting in a greater potential liability over a longer period of time.

Vemo would receive an income share that was as close as possible to the exorbitant payment caps, outlined above, many of which were not disclosed to students before enrolling in the program.

86. In addition, from 2016 to 2019, Make School on its website and at promotional events stated that Make School graduates would, on average, "start working 2 years earlier than typical computer science undergrads," and that as a result, Make School students could expect to earn $190,000 (pre-tax) immediately following graduation, while their peers would still be in college and "paying up to $80,000 in tuition for their junior and senior years." An example of this statement, which appeared on Make School's website in 2018 and 2019 is reproduced below.[8] Substantially similar statements were made to Plaintiffs at promotional events prior to their enrollment.

COMPARING TO TRADITIONAL COLLEGES

> Our graduates start their careers with an average salary of $95k/year, on par with graduates from top-tier programs and far ahead of the national average of around $66,000 .
>
> Our graduates start working 2 years earlier than typical computer science undergrads. While their peers are paying up to $80,000 in tuition for their junior and senior years of college, our typical graduate earns $190,000 pre-tax.

87. These statements (endorsed and promoted by Vemo) concerning the estimated debt of a "traditional" student versus the projected income of a Make School student are false and misleading because the statements compare apples to oranges. In other words, the projected (and inflated) *debt* of a so-called "traditional" student is compared to the projected *income* of a Make School graduate. In doing so, Make School concealed the true cost of Make School's two-

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[8] https://web.archive.org/web/20190403055150/https://www.makeschool.com/computer-science/tuition-and-aid (April 3, 2019); *see also* https://web.archive.org/web/20170606203733/https:/www.makeschool.com/product-college/admissions#tuition (June 6, 2017).

year program and potential debt that Make School students would have upon leaving the program as compared to the debt of a traditional four-year university student.

88. In addition, these statements are false and misleading because they inflate the amount of debt and monthly payment obligation that students attending traditional four-year universities have on average. The statements do not disclose that federal financial aid, scholarships, grants, and/or private loans are frequently made available to those students, all of which have significantly more favorable pay-back terms than Make School and Vemo's ISAs.

89. For example, Federal Loans and a growing number of private loans[9] have repayment plans in which the students' monthly payment obligation is calculated as a percentage of his or her income. The U.S. Department of Education, for example, offers "Pay As You Earn" and "Revised Pay as You Earn" payment plans under which students' monthly payment amount is calculated as 10% of the students' *discretionary* income—that is, income in excess of 150% of the HHS Poverty guidelines based on family size. Make School's ISA program, in contrast, calculates students' monthly payment obligation as 25% of the students' *pre-tax* income, resulting in a significantly higher monthly payment amount.

90. Moreover, unlike traditional student loans, the ISAs do not provide for deferment, forbearance, or forgiveness if, for example, the student experiences unexpected financial hardship due to a medical emergency, or a spouse losing a job, or for other reasons. The 25% income share is not adjusted based on family size or other financial obligations students may experience. Make School never disclosed these facts, and instead claimed falsely in 2017 that if students had a "real loan," a private lender could "call the sheriff and come take all your stuff." That statement is also false and misleading because personal property seizures are virtually non-existent as a remedy for non-payment of a student loan.

[9] Joanna Pearl & Brian Shearer, *Credit by Any Other Name: How Federal Consumer Financial Laws Governs Income Share Agreements*, Student Borrower Protection Center (July 2020), at p. 9 and n.27 (providing examples of traditional private student loan programs offering income-based-repayment options).

Make School's False Promises Concerning Debt Waivers for Military Veterans

91. In addition, Make School specifically targeted military veterans. Make School falsely advertised Make School as a soon-to-be Yellow Ribbon School. The Yellow Ribbon program is a provision in the Post-9/11 GI Bill that allows veterans to attend a private school for little or no out-of-pocket money. Make School promised military veterans that their student debt would be waived or dramatically reduced once Make School became a Yellow Ribbon school.

92. Plaintiffs are informed and believe that to this day, Make School still does not have Yellow Ribbon status.

Make School and Vemo's Failure to Provide Students with Any Meaningful Opportunity to Review their ISA Contracts

93. Many students were not provided with an initial ISA contract to review and sign until after the student had already re-located to the San Francisco area to begin attending classes.

94. Upon signing an initial ISA for year one, Plaintiffs were never told what the actual terms of subsequent ISAs would be, including the payment cap of those future agreements. In some instances, students did not know that there would be subsequent ISAs at the time that they enrolled in Make School's program. It was not until after the student signed an initial ISA upon enrollment, and after the student had invested significant time and money participating in the program, they were asked to sign new ISAs on more than one instance.

95. Those agreements were presented without any meaningful opportunity to review them. In some instances, students (including several of the Plaintiffs named herein) were asked to sign ISAs the same day they received them or else they could not complete the program.[10]

[10] Moreover, on occasion the multiple ISAs provided to students were internally inconsistent and led to absurd results. For example, students in the 2016 Cohort needed to sign four or more ISAs to finance the program—two tuition ISAs providing for a 25% income share, and two or more living stipend ISAs, also providing for a 25% income share. Taken together, the ISAs provided that, all year one and year two tuition ISAs would be paid concurrently, followed by the year one and year two stipend ISAs (also paid concurrently). Construed together, several of Plaintiffs' ISAs (i.e., the ISAs for Corey Harrilal, Anastasios Lambrou, and Michael Loubier) purportedly require the student to pay 50% of his or her pre-tax income. However, elsewhere the ISAs prohibited the student and the school from entering into any ISAs which would result in an income share greater than 25%. Similarly, some of the Plaintiffs in the 2017 Cohort (namely Briant M. De Oliveira, Duncan MacDonald, and James A. Rezendes) signed a living stipend ISA (their fifth ISA total) that by its terms provided for a 7%-25% income share and a payment term that began three months after graduation. Construing the ISAs together, that payment term

Make School's False and Misleading Statements Concerning its Interest in Students' Success

96. Despite Make School's claims otherwise, the ISA program was not "financial aid" at all. It was an illegal and exploitative scheme designed to generate start-up funds that was targeted at low-income students who, through no fault of their own, did not have the up-front cash to pay for Make School's program.

97. Make School presented its ISA program as innovative and the solution to the student debt crisis because it "align[ed] [Make School's] incentives with the outcome of [it's] students – [it was] successful if [the student is] successful."[11]

98. Vemo likewise for years has promoted and continues to promote ISA programs as "[a] winning formula for colleges" because the program "align[s] institutional success with student outcomes."[12]

99. These marketing messages suggested (falsely) that Make School would only be "successful" (*i.e.*, receive money and remain a viable institution) if it properly prepared its students for rewarding and good paying jobs.

100. The truth is, Make School used its ISA pool as a way for Make School to generate start-up funds from investors and lenders long before students graduated. The actual incentive of Make School was to have as many students sign as many ISA contracts as possible so that Make School could (i) package and sell those ISAs to investors in exchange for cash up front, and (ii) borrow money from lenders backed by the ISAs themselves.

101. Make School did not disclose how it had been using the ISAs to receive start-up funds before students graduated until May 20, 2021, when it told current students participating in the ISA program that "[t]he ISA program relied heavily on investors purchasing the future payback of these loans in exchange for loaning Make School the money it needed to operate."

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purportedly stacked on top of an earlier tuition and/or stipend ISA with its own 25% income share obligation, resulting in an income share of 32% to 50% immediately following graduation.

[11] https://web.archive.org/web/20180709042552if_/https://www.makeschool.com/product-college/tuition-and-aid (July 2018).

[12] https://vemoeducation.com/blog/2019/01/13/isa-101-a-brief-primer-on-income-share-agreements/ (last visited June 23, 2021).

102. Contrary to Make School's representations otherwise, Make School's incentives were not "aligned" with its students. The actual incentive for Make School was to create a large ISA pool so Make School could sell those ISAs and receive operating cash, which is precisely what Make School did by inducing students to sign as many as five ISAs to finance the program using false and deceptive rhetoric.

D. Make School Fails to Live Up to Its Lofty Promises, Causing the Majority of Make School Students to Withdraw From the Program

103. Plaintiffs enrolled at Make School, and signed expensive ISAs, based on promises that were made to them concerning the value of the education they were to receive and the debt they could expect to have after graduation.

104. Plaintiffs were promised a cutting-edge curriculum and a "powerful professional network" that would sling-shot them into a job at top technology companies in Silicon Valley and across the world.

105. Plaintiffs did not receive what they were promised. The program curriculum was non-existent or underdeveloped and was essentially a series of online exercises using free open-source material that students could find themselves without paying expensive tuition (plus living expenses). Many instructors did not have teaching credentials or advanced degrees that made them qualified for college-level teaching positions. And courses were frequently taught on the fly without any set structure. Many of the skills needed to obtain apprenticeships and eventually jobs in the field were either self-taught, taught by other students, or obtained at outside "bootcamps" not affiliated with Make School (for an additional fee).

106. To be clear, Plaintiffs are not bringing this action because they did not become software engineers. Many former students of Make School did go on to become software engineers. Plaintiffs are bringing this action because Make School and Vemo misrepresented what Make School provided and the long-term cost of those services.

107. As a result of these deceptive business practices, the majority of students who enrolled in Make School withdrew because they were not provided with the educational services

promised and/or the program was too expensive and not necessary for them to become gainfully employed.

108. According to Make School's own data, of the 49 students who entered Make School in 2017, 41 students (86%) either withdrew from the program or were dismissed.[13] Similarly, at the time the data was reported, of the 92 students who entered Make School in 2018, 42 students (47.8%) had either withdrawn from the program or were dismissed, and the other half (44 students) was still enrolled, and several of those students subsequently withdrew or were dismissed as well.[14]

109. Despite the fact that the vast majority of Make School students never completed Make School's computer science program, Vemo is and will continue to enforce the income share agreements against Plaintiffs and other former and current Make School students, unless declaratory or injunctive relief is awarded by this Court.

E. Make School is Fined $100,000 and Ordered to Cease Operating by the Bureau of Private Postsecondary Education

110. In addition to these material misrepresentations, Make School, from its inception until July 12, 2018, operated without approval by the State of California, in violation of California law and an order by the state requiring it to cease operations.

111. Specifically, Make School is regulated by the California Bureau of Private Postsecondary Education ("BPPE"). Under the Private Postsecondary Education Act, if a postsecondary institution is not accredited by the regional accreditation agencies (which Make School was not until late 2018), state approval by the BPPE is mandatory to open and operate a private postsecondary institution in the State of California. *See* Cal. Ed. Code § 94886 ("a person shall not ***open, conduct, or do business*** as a private postsecondary educational institution in this state without obtaining an approval to operate under this chapter.") California law makes it a

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[13] https://docs.google.com/spreadsheets/d/1p_oeHqdVhlHnFU9Qidd-Ak3YnbuF5l8qqhKpuEG-mww/edit#gid=488358698, *available at* https://www.makeschool.com/computer-science-degree/outcomes/data (last visited June 23, 2021).

[14] *Id.*

crime to "[k]nowingly operat[e] a private postsecondary institution without an approval to operate." *See* Cal. Ed. Code § 94943.

112. Furthermore, under California Education Code § 94917, any "note, instrument, or other evidence of indebtedness relating to payment for an educational program is not enforceable by an institution unless, at the time of execution of the note, instrument, or other evidence of indebtedness, the institution held an approval to operate."

113. At the time that Make School began operating, and continuing for over three years, Make School knowingly operated illegally without approval from the Bureau of Private Postsecondary Education ("BPPE"). Make School enrolled the 2016 Cohort, the 2017 Cohort, and the late-2017 Cohort, and induced those students to sign ISA agreements, at a time when Make School did not have approval to operate in the State.

114. On May 2, 2018, the BPPE fined Make School $100,000 and ordered it to cease operating until an approval to operate had been obtained. Make School was also ordered to provide a refund to all students enrolled at the school prior to receiving an approval to operate because "the enrollment agreements signed by the student are not enforceable since the school does not have approval to operate."[15]

115. Despite the clear requirement to cease all operations, Make School continued to operate and advertise its educational services and ISA program to the public. Make School never disclosed the BPPE order to the Plaintiffs, and instead induced several Plaintiffs to sign year two ISAs, even after the May 2, 2018 order to cease operating was issued.

116. The May 2, 2018 citation was modified on or about August 13, 2018 to reduce the fine assessed to $25,000.[16] The BPPE did not modify its order with respect to its order of abatement requiring Make School to provide a refund to students enrolled at Make School prior to receiving approval to operate.

117. Make School did not obtain approval to operate a non-accredited institution until

[15] https://www.bppe.ca.gov/enforcement/actions/1718011_make_school.pdf (Last visited June 23, 2021).

[16] https://www.bppe.ca.gov/enforcement/actions/appeal_makeschool.pdf (Last visited June 23, 2021).

July 12, 2018.

118. Make School did not disclose the BPPE citation to Plaintiffs, and on information and belief, it did not attempt to refund any students who signed ISAs prior to the school having approval to operate in the State.

119. Plaintiffs are informed and believe and thereon allege that Vemo continues to send bills and other collection notices to former Make School students attempting to receive payment on the ISA agreements, notwithstanding the BPPE's orders and Education Code Section 94917.

F. After Receiving Notice of Plaintiffs' Claims, Make School Enters into an Assignment for the Benefit of the Creditors

120. On April 14, 2021, several Plaintiffs in this lawsuit sent Make School and Vemo a claim notice pursuant to the ISAs.

121. On May 13, 2021, one day before the 30-day notice period expired, Make School indicated that it was in the process of engaging counsel and that it was very interested in resolving the matter pre-litigation. In reliance on those statements, Plaintiffs decided not to file a complaint at that time.

122. Between May 14, 2021 and June 3, 2021, the parties exchanged emails and phone calls concerning the parameters of a settlement that would involve cancellation or amendment to Make School's ISA contracts.

123. However, on June 4, 2021, Make School backed out of those discussions and instead claimed that "due to the threatened lawsuit and other factors," Make School would be entering into an assignment for the benefit of the creditors ("ABC") in which it would be transferring all of Make School's assets to an assignee. As such, Make School no longer held any assets and no longer had any authority to cancel or modify any ISAs, including Plaintiffs'. Make School further informed Plaintiffs' counsel that Make School's computer science program was being administered by a non-profit, which did not hold any of the ISAs. At that time, however, Make School's counsel would not disclose who the assignee was, who the new

holder(s) of students' ISA contracts was, what specific Make School entity entered into the ABC and when, and whether Vemo still serviced the ISA contracts.

124. It was not until June 22, 2021 that counsel for the assignee disclosed partial details about the ABC transaction, including that a new Make School entity, Defendant "Make School ABC, LLC" was the assignee and owned the ISA contracts through its subsidiary, Defendant "Make School ISA SPV, LLC."

125. On information and belief, the assignee Make School ABC, LLC intends to market and sell the ISA contracts to a debt buyer, which in turn will continue attempting to collect payments under the ISAs from Plaintiffs and other students through Defendant Vemo and/or another third party. Plaintiffs are informed and believe that as of the filing of this Complaint, Defendant Vemo continues to send bills to former Make School students.

FIRST CAUSE OF ACTION
(Declaratory and Injunctive Relief)
By the 2016 Cohort, 2017 Cohort, and Late-2017 Cohorts
Against All Defendants

126. Plaintiffs reallege and incorporate by reference all the allegations set forth in each of the preceding paragraphs of this Complaint.

127. Plaintiffs seek a declaration pursuant to C.C.P. § 1060 that the ISAs entered into prior to Make School's approval to operate on a non-accredited basis are void and unenforceable.

128. An actual, present, and justiciable controversy now exists between Plaintiffs with respect to the rights of Plaintiffs and Defendants. On the one hand, Plaintiffs contend that any ISA signed by a student prior to Make School receiving approval from the BPPE to operate is void and unenforceable. Defendants, on the other hand, dispute the above contentions, as shown by their attempts to collect 25% or more of Plaintiff's pre-tax income each month, notwithstanding the fact that the school had no approval to operate in the State at the time those ISAs were signed.

129. A judicial determination of the rights and obligations of Plaintiff and Defendants is necessary and appropriate at this time under the circumstances.

SECOND CAUSE OF ACTION
Violation of California's Unfair Competition Law ("UCL")
California Business and Professions Code § 17200, *et. seq.*
By all Cohorts Against All Defendants

130. Plaintiffs reallege and incorporate by reference all the allegations set forth in each of the preceding paragraphs of this Complaint.

131. Plaintiffs and Defendants are "persons" within the meaning of the UCL. Cal. Bus. & Prof. Code § 17201.

132. The UCL defines unfair competition to include any "unlawful, unfair, or fraudulent business act or practice," as well as any "unfair, deceptive, untrue or misleading advertising." Cal. Bus. & Prof. Code § 17200.

133. By committing the acts and practices alleged herein, Defendants have engaged in unlawful, unfair, and fraudulent business acts and practices in violation of the UCL.

134. ***Unlawful Conduct***: As a result of engaging in the conduct alleged in this Complaint, Defendant Make School has violated the UCL's proscription against engaging in unlawful conduct by virtue of its violation of state and federal law. More specifically, Defendant Make School has violated the UCL's proscription against engaging in "unlawful" business practices by virtue of its conduct in violation of the Federal Trade Commission Act ("FTCA"), which prohibits "unfair or deceptive acts or practices in or affecting commerce." (15 U.S.C. § 45(a)(1)) and prohibits the dissemination of any false advertisements (15 U.S.C. § 52(a)). In addition to federal law, Defendant Make School has violated California Civil Code §§ 1710 and 1711, California Education Code §§ 94886 and 94943, and California's False Advertising Law (Bus. & Prof. Code § 17500). Plaintiffs reserve the right to allege other violations of law, which constitute other unlawful acts or practices.

135. In addition, Defendant Vemo has violated the UCL's proscription against engaging in unlawful conduct by virtue of its violation of state and federal law in connection with its marking of its ISA contracts through Make School, and in connection with its collection efforts under those ISAs. More specifically, Defendant Vemo has violated the UCL's

proscription against engaging in "unlawful" business practices by virtue of its conduct in violation of the Federal Trade Commission Act ("FTCA"), which prohibits "unfair or deceptive acts or practices in or affecting commerce." (15 U.S.C. § 45(a)(1)) and prohibits the dissemination of any false advertisements (15 U.S.C. § 52(a)), and by virtue of its conduct in violation of the Fair Debt Collections Practices Act (15 U.S.C. 1692 *et. seq.*) In addition to federal law, Defendant Vemo has violated California Civil Code §§ 1710 and 1711, California's False Advertising Law (Bus. & Prof. Code § 17500), and the Rosenthal Fair Debt Collection Practices Act, Cal. Civ. Code § 1788 *et. seq*. Plaintiffs reserve the right to allege other violations of law, which constitute other unlawful acts or practices. Such conduct is ongoing and continues to this date.

136. ***Unfair Conduct:*** As described above, Defendant Make School has engaged in an "unfair" and deceptive business act or practice by, among other things:

a. marketing and promoting ISAs to prospective students in their late teens and early twenties with no significant experience with financial products without adequately disclosing the key features of those products;

b. marketing and promoting its ISA tuition model in a way that misled students to believe that financing Make School with ISA agreements would leave them financially better off and in less debt compared to students who chose to attend a four-year university;

c. Marketing and promoting an ISA program that failed to adequately disclose how the ISAs would sequence one after the other and how each ISA could be extended an additional 36 months, thereby ensuring that the school and/or Vemo would receive an income share that was as close as possible to exorbitant payment caps that were 2.5-4 times the original tuition amount or more;

d. Misrepresenting and concealing to the public, prospective students, and current students, including Plaintiffs, the true nature of Make School's financial interest in students' success, including by continuing to represent that Make School only got paid after the students did;

e. Introducing new ISA contracts on a take it or leave it basis to students after those students had already enrolled and invested significant time and money in Make School's program; and

f. Conducting business without BPPE approval and in violation of BPPE orders requiring it to cease operations;

g. Deliberately concealing the 2018 BPPE order finding that the 2016 Cohort's, 2017 Cohort's and the Late-2017 Cohort's ISA agreements were void and unenforceable;

h. Falsely claiming that military veterans would be able to attend Make School at little to no cost; and

i. Failing to provide a meaningful curriculum and qualified instructors as promised.

137. As described above, Defendant Vemo has engaged in an "unfair" and deceptive business act or practice by, among other things:

a. marketing and promoting, through Make School, ISAs to prospective students in their late teens and early twenties with no significant experience with financial products without adequately disclosing the key features of those products;

b. marketing and promoting, through Make School, an ISA tuition model in a way that misled students to believe that financing Make School with ISA agreements would leave them financially better off and in less debt compared to students who chose to attend a four-year university;

c. marketing and promoting, through Make School, an ISA program that failed to adequately disclose how the ISAs would sequence one after the other and how each ISA could be extended an additional 36 months, thereby ensuring that the school and/or Vemo would receive an income share that was as close as possible to exorbitant payment caps that were 2.5-4 times the original tuition amount; and

d. Continuing to collect on the 2016 Cohort's, 2017 Cohort's, and Late-2017 Cohort's ISA contracts notwithstanding the fact that those agreements are void and unenforceable.

138. ***Fraudulent Conduct:*** A business act or practice is "fraudulent" under the UCL if it is likely to deceive members of the consuming public.

139. Make School and Vemo's acts and practices alleged above constitute fraudulent business acts or practices because they have deceived Plaintiffs and are highly likely to deceive members of the consuming public.

140. Each of the Plaintiffs relied on Make School and Vemo's fraudulent and deceptive representations regarding Make School and its ISA tuition model.

141. Plaintiffs would not have entered into ISA agreements without Make School and/or Vemo's representations.

142. ***Unfair, deceptive, untrue, or misleading advertising:*** Make School and Vemo's advertising of its ISA agreements, and Make Schools' advertising of its computer science program constitutes unfair, deceptive, untrue, or misleading advertising under the UCL.

143. Advertising is misleading under the UCL if members of the public are likely to be deceived.

144. As set forth above, the above-described representations concerning Make School's computer science program and ISA tuition model were communicated to Plaintiffs and other prospective Make School students, and the advertisements are likely to mislead a reasonable person into believing that a meaningful curriculum and qualified instructors would be provided to students, and that financing that program with ISAs would leave them financially better off than their peers who attended traditional four-year universities.

145. This UCL claim is brought against Make School ABC, LLC and Make School ISA SPV, LLC pursuant to the FTC holder rule and related California law, which preserves

Plaintiffs' right to assert claims and defenses against the holder of the ISAs even if those contracts are assigned to a third party.

146. Defendants' violations of the UCL continue to this day, as Vemo and Make School's assignees will continue collection efforts on the ISA contracts. Unless restrained and enjoined, Plaintiffs and all other Make School students who participated in the ISA program will continue to receive demands for exorbitant amounts of money under the ISA contracts from Vemo, the assignee, and/or whoever the assignee markets and sells the ISA contracts to as part of Make School's liquidation.

THIRD CAUSE OF ACTION
Violation of California's False Advertising Law ("FAL")
California Business and Professions Code § 17500, *et. seq.*
By All Cohorts Against All Defendants

147. Plaintiffs reallege and incorporate by reference all the allegations set forth in each of the preceding paragraphs of the Complaint.

148. California Business and Professions Code § 17500 broadly proscribes "untrue or misleading statements in advertising" in connection with the performance of services.

149. Defendant Make School provides a service to consumers in which consumers sign up for "educational/training services."

150. In connection with the performance of those services, Defendants Make School and Vemo intended to and did make untrue and misleading statements in advertising in violation of the FAL. Make School's online content and statements concerning the cost of the ISAs, which was endorsed and promoted by Vemo, violate the FAL because for the reasons described above, those statements have deceived Plaintiffs and are likely to deceive members of the public.

151. Plaintiff and other Make School students suffered injury in fact as a result of Defendant Make School's actions as set forth herein because each of the Plaintiffs enrolled at Make School and signed ISA agreements in reliance on Make School's false and misleading claims.

152. Plaintiffs discovered the falsity of Make School's advertisements and promotional

statements between 2019 and 2020, once they began to learn from fellow students who had begun receiving bills from Vemo the true long-term cost of the ISAs was not what had been disclosed to them prior to enrollment.

153. Make School and Vemo have profited from their collection efforts under the ISA contracts and continue to collect on those agreements.

154. As a result, pursuant to Cal. Bus. & Prof. Code § 17535, Plaintiffs are entitled to public injunctive relief and equitable relief and restitution.

155. This claim is brought against Make School ABC, LLC and Make School ISA SPV, LLC pursuant to the FTC holder rule and related California law, which preserves Plaintiffs' right to assert claims and defenses against the holder of the ISAs even if those contracts are assigned to a third party.

FOURTH CAUSE OF ACTION
Violation of the Rosenthal Fair Debt Collection Practices Act ("RFDCPA")
By all Cohorts Against Defendant Vemo

156. Plaintiffs reallege and incorporate by reference all the allegations set forth in each of the preceding paragraphs of the Complaint.

157. Each of the Plaintiff's financial obligations allegedly owed under the ISA contracts at issue in this case is a "debt" and a "consumer debt" as those terms are defined by the RFDCPA, Cal. Civil Code § 1788.2(d) and (f).

158. Defendant Vemo is a "debt collector" as that term is defined by the RFDCPA, Cal. Civil Code § 1788.2(c).

159. Each of the Plaintiffs is a "debtor" as that term is defined by the RFDCPA, Cal. Civil Code § 1788.2(h).

160. For the reasons set forth above, the ISA contracts entered into before Make School had BPPE approval to operate in the State of California are void and unenforceable. By collecting and attempting to collect the amounts under these ISA contracts, Vemo violated the RFDCPA. Vemo's violations include, but are not limited to, the following: (a) misrepresenting

the character, amount, or legal status of the debt, in violation of 15 U.S.C. § 1692e(2)(A), incorporated into state law by California Civil Code § 1788.17; (b) misrepresenting the compensation which may be lawfully received by Vemo and/or Make School for the collection of the debt, in violation of 15 U.S.C. § 1692e(2)(B), incorporated into state law by California Civil Code § 1788.17; and (c) attempting to collect interest, fees, or other charges from Plaintiffs that are not expressly authorized by the agreement creating the debt or otherwise permitted by law, in violation 15 U.S.C. § 1692f(1), incorporated into state law by California Civil Code § 1788.17.

161. Vemo also violated the RFDCPA by sending former Make School students billing statements that reflected "average earnings for a person working full-time" in the student's field of study as opposed to actual amounts owed under the ISA agreements.

162. Before a student's payment period began, the student received a notice from Vemo informing them that the payments under the ISAs will soon begin. The email requests income documentation from which to calculate the amount owed under the ISA, if any. If the student does not provide income documentation within 30 days before the first scheduled payment is due, Vemo issues a bill that purportedly reflects 25% of the pre-tax "average earnings" for a person working full-time in the student's field of study.

163. That "average" or estimate of what Vemo thinks *might* be owed under the ISAs is not a statement of the actual current amount due. Yet, the bills received by the student provide no disclosure that the bill is an estimate and does not actually reflect the actual amount owed.

164. By sending purported bills based on "average earnings" to Plaintiffs, Vemo violated the RFDCPA. Vemo's violations include, but are not limited to, the following: (a) misrepresenting the character, amount, or legal status of the debt, in violation of 15 U.S.C. § 1692e(2)(A), incorporated into state law by California Civil Code § 1788.17; (b) misrepresenting the compensation which may be lawfully received by Vemo and/or Make School for the collection of the debt, in violation of 15 U.S.C. § 1692e(2)(B), incorporated into state law by California Civil Code § 1788.17; and (c) attempting to collect interest, fees, or other charges

from Plaintiffs that are not expressly authorized by the agreement creating the debt or otherwise permitted by law, in violation 15 U.S.C. § 1692f(1), incorporated into state law by California Civil Code § 1788.17.

165. Vemo's acts as described herein were done willfully and knowingly with the purpose of coercing Plaintiffs to pay the debt, as that term is defined by Cal. Civil Code § 1788.30(b).

166. As a result of Vemo's violations of the RFDCPA, Plaintiffs are entitled to an award of actual damages in an amount to be determined at trial, pursuant to Cal. Civil Code §§ 1788.17[17] and 1788.30(a).

167. As a result of Vemo's violations of the RFDCPA, Plaintiffs are each entitled to an award of statutory damages in an amount not to exceed one thousand dollars ($1,000) against Vemo, pursuant to Cal. Civil Code § 1788.17.[18]

168. As a result of Vemo's willful and knowing violations of the RFDCPA, Plaintiffs are each entitled to an award of a statutory penalty in an amount not less than one hundred dollars ($100) nor greater than one thousand dollars ($1,000) against Vemo, pursuant to Cal. Civil Code § 1788.30(b).

169. As a result of Vemo's violations of the RFDCPA, Plaintiffs are entitled to an award of reasonable attorney's fees and costs, pursuant to Cal. Civil Code §§ 1788.17[19] and 1788.30(c).

170. Pursuant to Cal. Civil Code § 1788.32, the remedies provided under the RFDCPA are intended to be cumulative and in addition to any other procedures, rights or remedies that Plaintiffs may have under any other provision of law.

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[17] 15 U.S.C. § 1692k(a)(1).
[18] 15 U.S.C.§ 1692k(a)(2)(A).
[19] 15 U.S.C.§ 1692k(a)(3).

FIFTH CAUSE OF ACTION
Unjust Enrichment
By all Cohorts Against All Defendants

171. Plaintiffs reallege and incorporate by reference all the allegations set forth in each of the preceding paragraphs of the Complaint.

172. By their wrongful acts and omissions, Defendants were unjustly enriched at the expense of and to the detriment of Plaintiffs. Defendants were unjustly enriched as a result of the compensation they have received from the marketing and sale of the unlawful and unfair ISAs to Plaintiffs.

173. Plaintiffs seek restitution from Defendants and seek an order of this Court disgorging all profits, benefits, and other compensation obtained by Defendants from their wrongful conduct.

174. Plaintiffs have no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for relief and judgment against Defendants as follows:

For the First Cause of Action (Declaratory and Injunctive Relief):

a. A declaration by the Court that any income share agreements entered into prior to Make School having approval to operate in the State of California are unlawful and unenforceable;

b. A preliminary and permanent injunction restraining and enjoining Defendants from enforcing any income share agreement signed prior to Make School having obtained approval to operate in the State of California, or, if Defendants are not the current owner of the ISAs, enjoin the current owner from collecting on any ISA signed prior to Make School having obtained approval to operate in the State of California;

c. For restitution and disgorgement of all monies wrongfully collected pursuant to unenforceable ISAs entered into prior to Make School having obtained approval to operate in the State of California;

d. For costs of suit;

e. For attorneys' fees pursuant to Code of Civil Procedure section 1021.5; and

f. For such other and further relief as the Court deems just and proper.

For the Second Cause of Action (Cal. Bus & Prof. Code § 17200):

a. For an order declaring that the business acts or practices complained of herein are unlawful and violate Cal. Bus & Prof. Code § 17200.

b. For an order requiring Defendants to cancel all ISA agreements of any past or present Make School student and refund those students for all payments he or she has made, or, if Defendants are not the current owner of those ISAs, order the owner to cancel or refund students for all ISA payments made.

c. For an order otherwise making full restitution of all monies wrongfully obtained from Defendants' violations of the UCL, as alleged in this Complaint;

d. For prejudgment interest;

e. For costs and reasonable attorney fees incurred by counsel for Plaintiffs, including in accordance with California Code of Civil Procedure § 1021.5; and

f. For such other and further relief as the Court may deem just and proper under the circumstances.

For the Third Cause of Action (Cal. Bus & Prof. Code § 17500):

a. A declaration that the practices complained of herein are unlawful and violate Cal. Bus. & Prof. Code § 17500;

b. Awarding Plaintiffs their damages in an amount to be determined at trial, including compensatory damages, consequential damages, punitive damages, and any other damages provided under relevant laws;

c. An order awarding Plaintiffs attorneys' fees and costs;

d. An order awarding Plaintiffs pre-judgment and post-judgment interest, as allowed by law; and

e. Such further relief as may be appropriate.

For the Fourth Cause of Action (Cal. Civ. Code § 1788.17):

a. For actual damages in an amount to be determined at trial pursuant to 15 U.S.C. 1692(a)(1), which has been incorporated into state law by California Civil Code § 1788.17, and pursuant to Civil Code § 1788.30(a).

b. For an award of statutory damages of $1,000 per Plaintiff pursuant to 15 U.S.C. 1692k(a)(2)(A), which has been incorporated into state law by California Civil Code § Civil Code § 1788.17

c. For an award of a statutory penalty in the amount of $1,000 per Plaintiff against Vemo pursuant to Civil Code § 1788.30(b)

d. Reasonable attorney fees and costs; and

e. Such other and further relief as the Court may deem just and proper under the circumstances.

For the Fifth Cause of Action (Unjust Enrichment):

a. Disgorgement of, restitution of, and/or imposing a constructive trust upon, the ill-gotten gains derived by Defendants from their unjust enrichment; and

b. For such other and further relief as may be appropriate.

DEMAND FOR JURY TRIAL

Based on the foregoing, Plaintiffs hereby demand a jury trial for all claims so triable.

Dated: June 25, 2021

THE SEQUOIA LAW FIRM

Melody Sequoia

Melody L. Sequoia, Esq.
Attorney for Plaintiff

CM-010

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address):
Melody L. Sequoia (SBN 309163)
The Sequoia Law Firm
530 Oak Grove Ave. Suite 102, Menlo Park, CA 94025

TELEPHONE NO.: (650) 561-4791 FAX NO. (Optional): (650) 561-4817
ATTORNEY FOR (Name): Plaintiffs

FOR COURT USE ONLY

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN FRANCISCO
STREET ADDRESS: 400 McAllister St.
MAILING ADDRESS:
CITY AND ZIP CODE: San Francisco, CA 94102
BRANCH NAME: Civil Center Courthouse

CASE NAME:
Aguocha et. al. v. Make School, Inc., Make School ABC, LLC, Make School ISA SPV, LLC, Vemo Education, Inc., and Does 1 through 10

CIVIL CASE COVER SHEET

[x] **Unlimited** (Amount demanded exceeds $25,000)
[ ] **Limited** (Amount demanded is $25,000)

Complex Case Designation
[ ] Counter [ ] Joinder
Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)

CASE NUMBER:
JUDGE:
DEPT.:

Items 1–6 below must be completed (see instructions on page 2).

1. Check **one** box below for the case type that best describes this case:

Auto Tort
[ ] Auto (22)
[ ] Uninsured motorist (46)

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort
[ ] Asbestos (04)
[ ] Product liability (24)
[ ] Medical malpractice (45)
[ ] Other PI/PD/WD (23)

Non-PI/PD/WD (Other) Tort
[ ] Business tort/unfair business practice (07)
[ ] Civil rights (08)
[ ] Defamation (13)
[x] Fraud (16)
[ ] Intellectual property (19)
[ ] Professional negligence (25)
[ ] Other non-PI/PD/WD tort (35)

Employment
[ ] Wrongful termination (36)
[ ] Other employment (15)

Contract
[ ] Breach of contract/warranty (06)
[ ] Rule 3.740 collections (09)
[ ] Other collections (09)
[ ] Insurance coverage (18)
[ ] Other contract (37)

Real Property
[ ] Eminent domain/Inverse condemnation (14)
[ ] Wrongful eviction (33)
[ ] Other real property (26)

Unlawful Detainer
[ ] Commercial (31)
[ ] Residential (32)
[ ] Drugs (38)

Judicial Review
[ ] Asset forfeiture (05)
[ ] Petition re: arbitration award (11)
[ ] Writ of mandate (02)
[ ] Other judicial review (39)

Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400–3.403)
[ ] Antitrust/Trade regulation (03)
[ ] Construction defect (10)
[ ] Mass tort (40)
[ ] Securities litigation (28)
[ ] Environmental/Toxic tort (30)
[ ] Insurance coverage claims arising from the above listed provisionally complex case types (41)

Enforcement of Judgment
[ ] Enforcement of judgment (20)

Miscellaneous Civil Complaint
[ ] RICO (27)
[ ] Other complaint *(not specified above)* (42)

Miscellaneous Civil Petition
[ ] Partnership and corporate governance (21)
[ ] Other petition *(not specified above)* (43)

2. This case [x] is [ ] is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
   a. [ ] Large number of separately represented parties
   b. [x] Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve
   c. [x] Substantial amount of documentary evidence
   d. [x] Large number of witnesses
   e. [ ] Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court
   f. [x] Substantial postjudgment judicial supervision
3. Remedies sought *(check all that apply)*: a. [x] monetary b. [x] nonmonetary; declaratory or injunctive relief c. [x] punitive
4. Number of causes of action *(specify)*:
5. This case [ ] is [x] is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. *(You may use form CM-015.)*

Date: June 25, 2021
Melody L. Sequoia
(TYPE OR PRINT NAME)

▶ Melody Sequoia
(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you **must** complete and file, along with your first paper, the Civil Case Cover Sheet contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check **one** box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the **primary** cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than $25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the Civil Case Cover Sheet to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES

Auto Tort
- Auto (22)–Personal Injury/Property Damage/Wrongful Death
- Uninsured Motorist (46) *(if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto)*

Other PI/PD/WD (Personal Injury/ Property Damage/Wrongful Death) Tort
- Asbestos (04)
  - Asbestos Property Damage
  - Asbestos Personal Injury/ Wrongful Death
- Product Liability *(not asbestos or toxic/environmental)* (24)
- Medical Malpractice (45)
  - Medical Malpractice– Physicians & Surgeons
- Other Professional Health Care Malpractice
- Other PI/PD/WD (23)
  - Premises Liability (e.g., slip and fall)
  - Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)
  - Intentional Infliction of Emotional Distress
  - Negligent Infliction of Emotional Distress
  - Other PI/PD/WD

Non-PI/PD/WD (Other) Tort
- Business Tort/Unfair Business Practice (07)
- Civil Rights (e.g., discrimination, false arrest) *(not civil harassment)* (08)
- Defamation (e.g., slander, libel) (13)
- Fraud (16)
- Intellectual Property (19)
- Professional Negligence (25)
  - Legal Malpractice
  - Other Professional Malpractice *(not medical or legal)*
- Other Non-PI/PD/WD Tort (35)

Employment
- Wrongful Termination (36)
- Other Employment (15)

Contract
- Breach of Contract/Warranty (06)
  - Breach of Rental/Lease
    - Contract *(not unlawful detainer or wrongful eviction)*
  - Contract/Warranty Breach–Seller Plaintiff *(not fraud or negligence)*
  - Negligent Breach of Contract/ Warranty
  - Other Breach of Contract/Warranty
- Collections (e.g., money owed, open book accounts) (09)
  - Collection Case–Seller Plaintiff
  - Other Promissory Note/Collections Case
- Insurance Coverage *(not provisionally complex)* (18)
  - Auto Subrogation
  - Other Coverage
- Other Contract (37)
  - Contractual Fraud
  - Other Contract Dispute

Real Property
- Eminent Domain/Inverse Condemnation (14)
- Wrongful Eviction (33)
- Other Real Property (e.g., quiet title) (26)
  - Writ of Possession of Real Property
  - Mortgage Foreclosure
  - Quiet Title
  - Other Real Property *(not eminent domain, landlord/tenant, or foreclosure)*

Unlawful Detainer
- Commercial (31)
- Residential (32)
- Drugs (38) *(if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential)*

Judicial Review
- Asset Forfeiture (05)
- Petition Re: Arbitration Award (11)
- Writ of Mandate (02)
  - Writ–Administrative Mandamus
  - Writ–Mandamus on Limited Court Case Matter
  - Writ–Other Limited Court Case Review
- Other Judicial Review (39)
  - Review of Health Officer Order
  - Notice of Appeal–Labor Commissioner Appeals

Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)
- Antitrust/Trade Regulation (03)
- Construction Defect (10)
- Claims Involving Mass Tort (40)
- Securities Litigation (28)
- Environmental/Toxic Tort (30)
- Insurance Coverage Claims *(arising from provisionally complex case type listed above)* (41)

Enforcement of Judgment
- Enforcement of Judgment (20)
  - Abstract of Judgment (Out of County)
- Confession of Judgment *(non-domestic relations)*
- Sister State Judgment
- Administrative Agency Award *(not unpaid taxes)*
- Petition/Certification of Entry of Judgment on Unpaid Taxes
- Other Enforcement of Judgment Case

Miscellaneous Civil Complaint
- RICO (27)
- Other Complaint *(not specified above)* (42)
  - Declaratory Relief Only
  - Injunctive Relief Only *(non-harassment)*
  - Mechanics Lien
  - Other Commercial Complaint Case *(non-tort/non-complex)*
  - Other Civil Complaint *(non-tort/non-complex)*

Miscellaneous Civil Petition
- Partnership and Corporate Governance (21)
- Other Petition *(not specified above)* (43)
  - Civil Harassment
  - Workplace Violence
  - Elder/Dependent Adult Abuse
  - Election Contest
  - Petition for Name Change
  - Petition for Relief From Late Claim
  - Other Civil Petition