

Eileen M. Connor, SBN 248856
Rebecca C. Ellis (*pro hac vice* application pending)
PROJECT ON PREDATORY STUDENT LENDING
769 Centre Street, Suite 166
Jamaica Plain, MA 02130
Phone: (617) 390-2669
Email: econnor@ppsl.org
rellis@ppsl.org

Eve H. Cervantez, SBN 164709
Danielle E. Leonard, SBN 218201
Corinne F. Johnson, SBN 287385
Derin McLeod, SBN 345256
ALTSHULER BERZON LLP
177 Post Street, Suite 300
San Francisco, CA 94108
Phone: (415) 421-7151
Fax: (415) 362-8064
Email: ecervantez@altber.com
dleonard@altber.com
cjohnson@altber.com
dmcleod@altber.com

Attorneys for Plaintiffs and the Proposed Class

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

STEPHANIE LUNA, SANDRA
CAMPOS, and DEONTE SIMPKINS,
*individually and on behalf of all others
similarly situated,*

Plaintiffs,

v.

UNIVERSITY OF SOUTHERN
CALIFORNIA,

Defendant.

Case No. 23STCV09981

**FIRST AMENDED CLASS ACTION
COMPLAINT**

- 1. Unfair, Deceptive Acts (Civ. Code § 1770)**
- 2. Unfair, Deceptive, Untrue, or Misleading Advertising (Bus. & Prof. Code § 17500)**
- 3. Unjust Enrichment**
- 4. Unruh Civil Rights Act (Civ. Code § 51)**
- 5. Unlawful, Unfair, or Fraudulent Conduct, Public Injunction (Bus. & Prof. Code § 17200)**

DEMAND FOR JURY TRIAL

FILED
Superior Court of California
County of Los Angeles

09/13/2023

David W. Slayton, Executive Officer / Clerk of Court

By: M. Arellanes Deputy

1 **INTRODUCTION**

2 1. Defendant University of Southern California (“USC”), through the Suzanne
3 Dworak-Peck School of Social Work, offered the country’s first full-time graduate degree in
4 social work. In addition to this long-standing in-person Master of Social Work (“MSW”)
5 program, in 2010 USC also began offering an online MSW program.

6 2. USC represents to the public, prospective students, and its students that its online
7 MSW program *is exactly the same* as its long-standing and well-known in-person MSW
8 program, using the “same USC faculty,” the “same curriculum,” the “same quality field
9 experience,” and the “same career development services.”¹

10 3. USC aggressively markets its online MSW program, relying on the reputation of
11 and representations regarding the quality and nature of its in-person MSW program and the
12 Suzanne Dworak-Peck School of Social Work. USC also charges its students exactly the same
13 very high price for its in-person and online MSW degrees (until recently, over \$110,000).

14 4. However, USC’s in-person and online MSW programs are not at all the same, and
15 USC’s representations about the online MSW program are egregiously false and misleading. In
16 fact, USC provides a very different program to its online students, including by using different
17 instructors, different course content, and by outsourcing other important services such as the
18 clinical placement program. Indeed, USC has outsourced substantial aspects of its online MSW
19 program to a for-profit corporation in exchange for splitting the tuition; USC does not administer
20 this program. Rather than provide the *same* academic program that it represents to students to
21 induce them to enroll in its online MSW program, USC merely profits at their expense.

22 5. USC knows that its deceptive representations of its online MSW program as the
23 “same” as its in-person MSW program are not remotely true. Even worse, USC has chosen to
24 specifically direct these misrepresentations at people of color and veterans to induce them to pay
25 the high price for its inferior online MSW program that is not the same as its in-person program,
26 and that is in substantial part not even provided by USC. USC engages in these very serious, and
27

28 ¹ See <https://msw.usc.edu/form/> (last visited September 13, 2023).

1 unlawful, misrepresentations to maximize revenue from increasing online enrollment, to the tune
2 of tens of millions of dollars each year—to the detriment of students, like Plaintiffs here, who
3 enter the social work field to serve others, and who graduate saddled with massive debt.

4 6. USC’s MSW program is supposed to include both classroom instruction from
5 USC’s esteemed faculty on the best practices developed through rigorous research for tackling
6 the complex problems students will face as social workers, and clinical placements where
7 students can hone their skills under careful supervision in the specific areas where they hope to
8 practice. For USC’s in-person MSW students, USC provides live classroom instruction by its
9 regular School of Social Work faculty, clinical placements identified and set up by USC
10 personnel, and USC career services staff with experience in the field. Despite the representations
11 made by USC to induce students to pay the exceptionally high price of its online MSW program,
12 USC does not provide the same faculty, curriculum, classroom instruction, clinical placement
13 services, or professional development services to online students as to in-person students.

14 7. Instructors teaching students enrolled in the online MSW program are largely
15 distinct from the regular tenured, tenure-track, and clinical faculty who teach in USC’s in-person,
16 on-campus MSW program; many online instructors have no research or other connection with
17 in-person USC School of Social Work programs, research, or faculty, and do not even reside in
18 California. That is, when online students get live instructors at all—much of the online MSW
19 program consists of pre-recorded “asynchronous” content, delivered through an outdated
20 platform; those lectures, often recorded years ago, in many cases no longer describe how social
21 workers should work with client populations and are not in line with contemporary research in
22 the field or with USC’s representations about its online program.

23 8. And for clinical training, USC’s experienced and well-connected clinical
24 administrators and staff do not handle the online MSW student placements at all. The typical
25 online MSW student is pushed by “placement specialists” from 2U, Inc. (“2U”), USC’s for-profit
26 partner, into a placement that may or may not be relevant or suitable to prepare the student for
27 that student’s planned area of work, without any other options. Likewise, USC does not provide
28

1 online students with career services using its experienced and well-resourced staff at all: it has
2 completely outsourced career services for online students to 2U.

3 9. USC's actions with respect to its online students are intentional and willful:
4 despite ongoing criticism and publicity, USC continues to misrepresent to the public, prospective
5 students, and current and former students that its online and in-person MSW programs are the
6 same, and it has actively concealed from its students the nature of its arrangements with 2U that
7 lead to different resources, access, and treatment for its in-person and online students. USC's
8 websites and advertisements hide the connection and inaccurately portray USC's online MSW
9 program as being entirely administered in-house, just like USC's in-person program. In addition,
10 2U employees (including recruiters, "enrollment specialists," and others induced to aggressively
11 target and sell incoming students) are provided USC email addresses and instructed *not to reveal*
12 *that they work for 2U rather than USC.*

13 10. Through these arrangements, USC has turned its online MSW program into an
14 enormous degree mill. USC's MSW program has grown from enrolling 300 total students per
15 cohort prior to 2010, to currently enrolling over 3,000 students, almost entirely through online
16 growth. Because it costs USC far less to provide its online MSW program than to provide its in-
17 person MSW program, its online MSW program is a huge "cash cow" for USC.

18 11. As part of its scheme to increase online enrollment, USC has engaged in "reverse
19 redlining" to market its inferior program. Recruitment and marketing efforts for USC's online
20 and unequal MSW program were intentionally targeted toward people of color and veterans
21 (such as Plaintiffs) whom USC thought were better marks for "conversion"—that is, more likely
22 to enroll once they were in touch with a recruiter—even if what they were getting was worth less
23 than what they would have to pay for it by taking on massive debt.

24 12. The profit motive at the heart of the relationship between USC and its online
25 program provider has already resulted in multiple scandals, to the detriment of the school and its
26 students.²

27 _____
28 ² See Matt Hamilton, *Marilyn Flynn, ex-USC dean in corruption case with Ridley-Thomas,*

1 13. Notwithstanding the publicity shining a light on the unequal educational program
2 USC is offering its online MSW students for the sake of generating profits, USC persists in
3 misrepresenting the nature of these programs to this day. USC still steadfastly represents that
4 these unequal programs are the “*same*,” recruiting and inducing thousands of new students every
5 year, including hundreds if not thousands in California.

6 14. None of this is consistent with the purported lofty goals of USC and its School of
7 Social Work as a non-profit educational institution. USC’s MSW program is meant to provide
8 aspiring social workers with the skills and experiences they need to help people who are
9 vulnerable, oppressed, or living in poverty. As USC itself says: “The central mission of the
10 University of Southern California is the development of human beings and society as a whole
11 through the cultivation and enrichment of the human mind and spirit.” And USC’s online MSW
12 program promises to “prepare[] you to effect positive change at the individual, community or
13 macro level through weekly online classes and an innovative virtual and in-person fieldwork
14 approach” or “practicum.” The Code of Ethics for social workers begins: “The primary mission
15 of the social work profession is to enhance human well-being and help meet the basic human
16 needs of all people, with particular attention to the needs and empowerment of people who are
17 vulnerable, oppressed, and living in poverty.” (Nat’l Ass’n of Social Workers, Code of Ethics.)
18 USC appears to have sacrificed these goals for the promise of immediate gains of partnering with
19 a for-profit corporation in a scheme to maximize its own revenue at the expense of its students.

20 15. The targeting of and misrepresentations made to Plaintiffs Stephanie Luna,
21 Sandra Campos, and Deonte Simpkins exemplify USC’s misrepresentations to its online MSW
22 students, and its targeting of people of color and veterans, to the students’ detriment.

23 16. Having viewed USC’s representations to potential students that USC’s online
24 MSW program was the *same* in all respects as the in-person MSW program, Plaintiffs enrolled in
25 the online MSW program to embark on their professional journey of enhancing human well-

26 _____
27 *sentenced to 3 years probation*, L.A. Times (July 24, 2023); Michael Finnegan & Matt Hamilton,
28 *Former USC dean admits to arranging bribery payment for Mark Ridley-Thomas*, L.A. Times
(Sept. 15, 2022); Lisa Bannon & Andrea Fuller, *USC Pushed a \$115,000 Online Degree.
Graduates Got Low Salaries, Huge Debts*, Wall St. J. (Nov. 9, 2021).

1 being and meeting the basic human needs of all people, and they paid USC the same tuition paid
2 by in-person MSW students for their degrees: more than \$110,000. The materials provided and
3 made available to Plaintiffs by USC about its online MSW program at all times claimed that the
4 academic programs were the “same,” did not explain important differences between the online
5 and in-person programs, and concealed the fact that the program was largely outsourced to non-
6 USC staff. Plaintiffs were consistently contacted by individuals, including recruiters and
7 enrollment specialists, purporting to represent USC (including by using USC email addresses),
8 but who actually worked for 2U, Inc.

9 17. It was only once they had already paid their tuition and enrolled, gradually as the
10 program progressed, that Plaintiffs began to discover the extent to which USC’s online MSW
11 program was not the “same” as USC’s in-person MSW program.

12 18. Moreover, as students, Plaintiffs had no reason to suspect and no way of knowing
13 that part of the problem was that USC had outsourced multiple important functions, including
14 recruitment, academic advising, clinical placements, and career services, entirely to a for-profit
15 corporation, but disguised that outsourcing by instructing those non-USC employees to use USC
16 email addresses and conceal their employment by 2U. Plaintiffs did not, and could not, have
17 discovered the full extent of USC’s misrepresentations, or the fact that they had been deliberately
18 targeted as people of color for enrollment in the inferior online program, until at least November
19 2021, when the *Wall Street Journal*’s investigative journalists uncovered and published hitherto
20 hidden information about USC’s relationship with the for-profit 2U, and the deliberate targeting
21 of students based on race and veteran status.³

22 19. Like their fellow online MSW students, Plaintiffs each paid a very substantial
23 sum for a program that was not remotely what USC told them they were getting. Each was
24 misled by USC’s false statements about this program. As a direct result of USC’s
25 misrepresentations, false advertising, and unfair business practices, Plaintiffs and their fellow
26 online students did not get what they applied, enrolled, and paid for. If not for USC’s false
27

28 ³ Bannon & Fuller, *supra*.

1 advertising and deceptive and discriminatory practices, Plaintiffs would never have paid the
2 inflated tuition for USC's completely different and decidedly unequal online MSW program.

3 20. USC's actions with respect to potential, current, and former USC students violate
4 California's False Advertising Law, the Consumer Legal Remedies Act, the Unruh Civil Rights
5 Act, and California's Unfair Competition Law, and also constitute common law unjust
6 enrichment. Plaintiffs seek, on their own behalf and on behalf of students across California who
7 did not get the academic program USC represented, to hold USC accountable for its unlawful
8 actions, and to prevent USC from engaging in this unlawful conduct with respect to any more
9 students targeted for its online MSW program.

10 **JURISDICTION AND VENUE**

11 21. This Court has jurisdiction over this action pursuant to Article VI, section 10 of
12 the California Constitution because this case is a cause not given by statute to other trial courts.

13 22. Venue is proper in this Court pursuant to C.C.P. § 395.5 and Civil Code
14 § 1780(d). USC has its principal place of business, resides, and is doing business in Los Angeles
15 County.

16 **PARTIES**

17 23. Plaintiff Stephanie Luna is a resident of Los Angeles, California. Ms. Luna
18 started USC's online MSW program on May 13, 2019 and graduated on May 19, 2021. Ms.
19 Luna paid over \$110,000 to USC for the online MSW program.

20 24. Plaintiff Sandra Campos is a resident of San Diego, California. Ms. Campos
21 started USC's online MSW program on May 14, 2019 and graduated on May 19, 2021. Ms.
22 Campos paid over \$110,000 to USC for the online MSW program.

23 25. Plaintiff Deonte Simpkins is a resident of San Diego, California. Mr. Simpkins
24 started USC's online MSW program on January 11, 2021 and finished his degree on December
25 2, 2022. He will graduate on May 12, 2023. Mr. Simpkins paid over \$110,000 to USC for the
26 online MSW program.

27 26. Defendant University of Southern California is a non-profit corporation
28 incorporated in California with its principal place of business in Los Angeles, California. USC is

1 one of the wealthiest private universities in the country, with an endowment that is in the top 20
2 of private universities, at over \$8 billion in 2021. USC offers in-person and online MSW degree
3 programs through its Suzanne Dworak-Peck School of Social Work.

4 **FACTUAL ALLEGATIONS**

5 **I. USC's MSW Program**

6 27. USC's School of Social Work was founded in 1920 as a course of study within
7 the USC sociology department. In 1922, the Division of Social Work became the School of
8 Social Welfare. In 1939, an independent School of Social Work was granted full academic
9 status at USC, and, as USC claims, "it has been a leader and innovator in social work education
10 and research since its founding." USC has the oldest MSW program in the United States and
11 was among the first schools of social work to be fully accredited.

12 28. For a long time, USC's MSW program was highly ranked nationally among
13 graduate social work programs. The Suzanne Dworak-Peck School of Social Work "champions
14 social justice for the well-being of individuals, families, and communities through innovative
15 teaching of evidence-based practice and practice-based skills, pioneering transformative
16 research, and cultivating leadership for social change."

17 29. USC makes information about its School of Social Work and its MSW programs
18 available to the public and its students in one central location on the USC website at
19 <https://dworakpeck.usc.edu/>. There, USC provides an overview and detailed information about
20 curriculum, faculty, practicum education and practice instructors for its MSW programs:
21 <https://dworakpeck.usc.edu/academics/usc-master-of-social-work>. USC's website also provides
22 the public and prospective students with the online mechanism by which students apply to its
23 MSW programs.

24 30. USC's MSW program generally takes two years and involves coursework and
25 clinical education. With respect to the curriculum, USC explains: "Our courses and training
26 incorporate evidence-based and evidence-informed research and practices, including new
27 findings in future-forward areas such as artificial intelligence and neuroscience that are pushing
28 the envelope in prevention and intervention and providing more interdisciplinary opportunities

1 for social workers.” USC represents: “Our curriculum places a strong emphasis on the science of
2 social work and preparing graduates to become leaders within the profession. Social work
3 students at USC receive the most up-to-date education because we are a top-tier research
4 institution, and community-based research informs our curriculum.” With respect to clinical
5 education, USC also explains: “This intensive program includes 1,200 hours of hands-on
6 practicum education to practice and apply the skills you learn in class,” achieved through clinical
7 placements.

8 31. USC’s School of Social Work continues to be known for its interdisciplinary
9 research and instruction. The School houses numerous research centers addressing issues such
10 as Homelessness, Housing, and Health Equity; LGBTQ+ Health Equity; Veterans and Military
11 Families; Addiction Science; Aging; and AI in Society.

12 32. The USC MSW program is very expensive. As of 2021, USC charged \$115,120
13 for the two-year program (requiring 60 units over two years). As of 2022, USC has changed the
14 minimum requirements for a MSW degree and structured its tuition on a per-unit basis, charging
15 a \$2,045 per unit rate (for a total of approximately \$85,000 for only 42 units).

16 33. According to the most recent data from the U.S. Bureau of Labor Statistics, the
17 average annual salary for a full-time social worker in California is \$74,405 (with significant
18 variations based on geographical location, level of experience, and particular areas of social
19 work). The median income of recent USC MSW graduates is \$52,000.

20 **II. USC’s Online MSW Program**

21 **A. USC’s Representations That the Online MSW Program Is the *Same* as the In-** 22 **Person MSW Program**

23 34. USC’s online MSW program requires students to attend coursework for the MSW
24 degree remotely. The practicum/clinical placement component may be either partially remote or
25 in person at a host clinical organization/entity.

26 35. Since its inception in 2010, USC has charged exactly the same expensive tuition
27 for its online MSW program as for its in-person MSW program.

1 36. As discussed above, the USC School of Social Work informs the public and
2 prospective and current students about the MSW program through its website. At all relevant
3 times, that website has presented the main general information about the MSW program,
4 including describing the curriculum, faculty, and clinical education components, not generally
5 differentiated between formats (in-person vs online) thus implying the information presented
6 applies to both programs. Only after presenting information regarding its MSW program in
7 general, at the bottom of the page, does USC provide a link to the different “formats” for the
8 MSW program, including “on-campus,” “hybrid,” and “online.”

9 37. At all relevant times, the USC School of Social Work website has also made
10 specific representations comparing its in-person MSW program and its online MSW program.
11 USC represents that these programs are the “*same*” other than format and location.

12 38. For example, this is the page where users request more information about the
13 online MSW:

The screenshot shows the USC Suzanne Dworak-Peck School of Social Work website. The header includes the USC University of Southern California logo and navigation links for Online Programs, On Campus Programs, Admissions, Experience, Blog, and Apply. The main content area features a silhouette of a person running against a sunset background with the text "Change Lives With USC's Online Master of Social Work Program". Below this is a "Request Information" form with a dropdown menu for "Do you have a BSW or are you enrolled in a BSW program?" and a "Next Step" button. The page also contains text describing the MSW@USC program and lists benefits such as "Same curriculum", "Same quality field experience", "Same USC faculty", and "Same career development services".

1 That is, USC states that “the online MSW program match[es] the on-campus program” in the
2 following ways:

- 3 • **Same curriculum:** You will be prepared for leadership roles across all social
4 work settings.
- 5 • **Same quality field experience:** You will complete training in your community to
6 prepare for real world practice.
- 7 • **Same USC faculty:** You will form real connections with distinguished faculty
8 who are leaders in social work.
- 9 • **Same career development services:** You will receive the support and resources
10 you need to pursue career success.

11 39. Elsewhere, USC likewise states: “The online Master of Social Work program has
12 **the same** admissions standards, curriculum, graduation requirements, degree and diploma as the
13 on-campus MSW program,” and again, “The admissions standards for the online MSW are **the**
14 **same** as those for our on-campus program and we seek applicants who are motivated to succeed
15 in a challenging master’s degree program.”

16 40. These representations are not fleeting references: USC’s website is replete with
17 content stating and representing that the online and in-person MSW programs are the *same*, and
18 providing specific content to that representation by portraying the faculty, curriculum, clinical
19 placement and other services of its MSW programs as the same notwithstanding the online or in-
20 person format. Nor are these representations an accident: USC intends to portray its online
21 MSW program this way to induce as many students as possible to apply for and enroll in its
22 online program, banking on the reputation and representations about the quality of its in-person
23 program.

24 41. USC’s representation that its online MSW program is, in all relevant respects, the
25 same as its in-person (or “on-ground” or “on-campus”) MSW program have been consistent over
26 time.

27 42. For example, when USC launched its online MSW program in 2010, USC’s
28 website claimed that the program would “give[] you the opportunity to earn the same quality
education on-campus students receive,” “delivered by our regular, full-time faculty.” Indeed,

1 USC stated that “[m]any students find the experience even more interactive and fulfilling than a
2 traditional classroom.” USC also touted that “an accredited online MSW from USC will carry
3 significant value in any organization’s hiring and advancement decisions.” In the FAQ section
4 of this website, USC posed the question: “What is the difference between the MSW@USC and
5 the MSW?” The answer: “Virtually, nothing.”⁴

6 43. As of 2016, USC’s website continued to claim that “[t]he only difference”
7 between the online MSW program and the on-campus program was “that you attend classes and
8 complete coursework online.”

9 44. As of April 2021, under the heading “What’s Different About the Online MSW
10 Program?” USC’s website stated: “The online Master of Social Work program has the same
11 admissions standards, curriculum, graduation requirements, degree and diploma as the on-
12 campus MSW program. The difference? You’ll attend classes, complete coursework and engage
13 with the USC community online.” Under that same heading, the site touts that “[e]ach seminar-
14 style class is taught by USC faculty.”

15 45. The purported similarity of USC’s in-person and online MSW programs, with the
16 sole difference being that the online program is available without traveling to USC’s campus, is a
17 crucial selling point that leads students to pay tuition for USC’s online MSW program that is the
18 same as the tuition USC charges for its in-person MSW program.

19 46. USC represents that faculty in its online and in-person MSW programs is “the
20 same,” and represents that the availability of classes taught by tenured, full-time faculty who are
21 prominent in their field is the same between its in-person and online MSW programs.

22 47. To that end, USC provides specific information regarding the online MSW
23 program, under “Online Programs,” at <https://msw.usc.edu/online>. On that website, USC
24 represents, with respect to its online MSW program, that the courses in the online MSW program
25 are taught by USC faculty:

26
27
28 ⁴ USC at times refers or has referred to the online MSW program as MSW@USC.

- 1 • “*All of our courses are taught by distinguished USC faculty* whose research and
2 teaching have made them leaders in their respective fields.”
- 3 • “Courses are delivered online and *taught by our award-winning faculty*”
- 4 • “Your Classes” are “*Taught by USC professors*, seminar-style classes are kept
5 small—with an approximate 12:1 student-to-faculty ratio—to encourage
6 conversation and collaboration. In the MSW@USC classroom, there is no back
7 row: You will actively participate in discussions with your professors and peers.”

8 48. Elsewhere, the USC website has advertised that “[e]ach seminar-style class is
9 taught by USC faculty” and that the online MSW program will “give[] you the opportunity to
10 earn the same quality education on-campus students receive,” “delivered by our regular, full-time
11 faculty.” A link for “Virtual Academic Center faculty” directs to the general faculty listing for
12 the in-person program and does not include instructors who teach exclusively in the online MSW
13 program.

14 49. Information provided directly to prospective students likewise makes these
15 claims. For example, USC has advertised to the public and prospective students via Twitter that:
16 “The courses in the online MSW@USC program are designed and led by distinguished USC
17 faculty whose research and teaching have made them leaders in their respective fields.”
18 Similarly, emails sent to prospective students titled “Why Choose the MSW@USC?” state: “All
19 MSW@USC courses are taught by USC professors. Our top-ranked faculty have their fingers on
20 the pulse of today’s societal and social issues, and their research and teaching skills have made
21 them leaders in their respective fields.” They also state: “All MSW@USC classes are live,
22 collaborative, seminar-style sessions.” The availability of world-class faculty is a key
23 component of USC’s MSW program and one that prospective students value and consider in
24 selecting a program or whether to attend a program at all.

25 50. USC also promotes the online MSW program’s “rigorous curriculum” and USC’s
26 status as an “elite, private research institution.” With respect to its curriculum, USC generally
27 advertises: “The school’s recently refreshed curriculum places a stronger emphasis on science
28 and leadership, and allows for more intensive preparation within the student’s chosen department
of study and through various specialization tracks offered.” With respect to the online program

1 in particular, USC separately states: “Featuring a rigorous curriculum that mirrors the on-campus
2 program, MSW@USC provides each student with a specialization in integrative social work,
3 offering foundational training that prepares them to practice across client populations and
4 settings.”

5 51. USC also advertises that the online MSW program is “constantly evolving to fit
6 the needs of our students and their future practices.”

7 52. Relatedly, USC represents that “Each seminar-style class is taught by USC faculty
8 in real time within a state-of-the-art, virtual Zoom classroom, limited to approximately 12
9 students.”

10 53. And USC advertises that “The USC Suzanne Dworak-Peck School of Social
11 Work offers a unique set of electives designed to prepare you for practice in your chosen area.
12 While enrolled in the online Master of Social Work program, you will take one general elective.”

13 54. As USC explains, clinical placements (also known as “practicum”) is a very
14 significant component of the MSW educational program. USC specifically represents that
15 clinical placements are the “same” as between USC’s in-person and online MSW programs.

16 55. USC specifically represents that USC provides the “team of placement experts”
17 for the clinical placements, to “help you find appropriate fieldwork sites in your own
18 community.”

19 56. USC represents that the quality, services, and variety of valuable clinical
20 placements is equivalent between its in-person and online MSW programs. For example:

21 a. The USC website claims: “The USC Suzanne Dworak-Peck School of
22 Social Work is affiliated with practicum sites around the world, which allows us to help
23 our students find successful placements no matter where they live.”

24 b. USC has advertised to the public and prospective students via Twitter that:
25 “Our MSW students have the opportunity to secure field placements with sports teams,
26 veteran service agencies, political offices and banks.”

27 c. Emails sent to prospective students on behalf of USC titled “What Makes
28 the Field Experience at USC Different?” read: “Each placement site in our nationwide

1 network exemplifies the highest standards for 21st-century social work. Our team will
2 identify a local field placement that will help you reach your learning objectives.”

3 d. Other emails to prospective students on behalf of USC titled “Why
4 Choose the MSW@USC?” state: “We partner with more than 4,000 community-based
5 field placement sites around the world to place students in field internships close to
6 home.”

7 57. The availability of desirable clinical placements where students can learn key
8 skills and build toward post-graduation employment (as well as get experience they need for
9 licensure) is a key component of USC’s MSW program and one that prospective students value
10 and consider in selecting a program or whether to attend a program at all.

11 58. USC advertises on its general MSW website page, seemingly applicable to all
12 MSW programs, that its “*in-house career and professional development team* ensures students
13 and alumni are provided with the strategies needed to attain their career goals.” USC sets itself
14 apart from competitors by boasting that it is “one of the few schools of social work to offer
15 career and professional development services.”

16 59. Finally, USC advertises on its website and elsewhere that the admissions
17 standards for “All MSW Programs” are the same.

18 **B. The Reality of the Online MSW Program: Different, Inferior, and Unequal**

19 60. In reality, and in contrast to the representations made by USC to the public and its
20 students, USC’s online MSW program offers classroom instruction that is not the same as, but
21 instead is substantially different from and categorically inferior to, USC’s in-person MSW
22 classroom instruction.

23 61. Online MSW students and in-person MSW students do *not* attend the same
24 classes.

25 62. Online MSW students and in-person MSW students are *not* provided with the
26 same curriculum and course content.

27 63. Online MSW students and in-person MSW students are *not* taught by the same
28 faculty.

1 64. Online MSW students and in-person MSW students are *not* given the same access
2 and resources for clinical placements.

3 65. Online MSW students and in-person MSW students are *not* given the same
4 services related to their academic programs.

5 66. Online MSW students and in-person MSW students are *not* subject to the same
6 admissions standards.

7 **1. Faculty**

8 67. USC’s online MSW program is substantially taught by an almost entirely
9 different cohort of instructors, *who do not otherwise work for USC*.

10 68. As of its latest reporting, USC had more than 150 full-time and 60 part-time
11 faculty who served its in-person MSW program. That was at a time when there were 867
12 students enrolled on campus. By contrast, USC’s online MSW program separately employed a
13 separate group of 44 full time and 175 part time instructors for more than 2,700 students enrolled
14 in the online program.

15 69. Online MSW students are frequently taught by what appear to be adjunct
16 instructors specifically hired to teach only online classes (and who do not teach any USC classes
17 on campus or otherwise hold any “faculty” position at USC at all)—not by the “world-class”
18 permanent faculty with cutting-edge research that USC’s website touted. Indeed, many of the
19 separate online MSW program instructors are not even located in California, and clearly are not
20 teaching on campus.

21 70. USC’s online students have fewer opportunities to engage with their instructors—
22 even instructors who teach exclusively in the online MSW program—because much of their
23 program content is pre-recorded (“asynchronous”) and not live instruction.

24 71. Some instructors in USC’s online MSW program regularly simply directed
25 students to YouTube videos and did not provide any further instruction.

26 72. Students in USC’s online MSW program are not able to work with USC faculty
27 on research opportunities to the same extent that in-person students do.

1 73. On information and belief, USC allows 2U to recruit and consult in the hiring of
2 instructors who are retained to teach in the online program only, further undermining the
3 representation that USC online MSW students are taught by USC's *own faculty*.

4 **2. Curriculum**

5 74. Unlike the live instruction USC provides to its in-person MSW students, USC
6 gives its online MSW students a substantial amount of *pre-recorded* rather than live coursework.

7 75. This pre-recorded curricular content is often substantially outdated and does not
8 prepare students with up-to-date methods for dealing with complicated situations they will face
9 in practice. In the social work field, the understanding of what constitute best practices changes
10 substantially over the course of even a few years.

11 76. On information and belief, USC recorded asynchronous material as early as 2010
12 and has not made necessary updates to the asynchronous material despite changes in recognized
13 best practices in the field.

14 77. These pre-recorded course materials are not “seminar-style” classes taught “by
15 USC faculty in real time.” Students have no opportunity to ask questions or otherwise engage in
16 discussion with instructors or their fellow students in these courses.

17 78. Instructors in the online MSW program spend their limited live class time
18 addressing inaccuracies or outmoded material in the asynchronous content. Online MSW
19 program students are also provided limited availability of elective courses and, unlike students in
20 USC's in-person MSW program, were unable to enroll in electives “to prepare . . . for practice in
21 [their] chosen area[s].”

22 79. Students in USC's online MSW program are not *permitted* to take *any* classes in-
23 person, even if they live in or could travel to Los Angeles, even if a particular course is only
24 available in-person and even if the course is integral to students' professional plans.

25 **3. Clinical Placements**

26 80. USC's online MSW program, like USC's on-campus program, requires students
27 to complete an externship/field placement. USC does not provide the “same” administration,
28 staff, or resources for the online MSW program as it does for the in-person clinical placements.

1 81. Unlike in-person students, USC’s online students do not have the help of USC
2 faculty and staff to locate externship opportunities. USC does not “help . . . students” in the
3 online MSW program get field placements or arrange any site affiliations for those students—
4 rather, it outsources that job to 2U. USC’s online MSW students are thereby deprived of one of
5 the prime benefits afforded to in-person MSW students with respect to the clinical placement
6 aspect of their USC education: access to USC’s network of placements.

7 82. The placements 2U employees assign USC’s online MSW students frequently do
8 not align with students’ interests or goals, provide sufficient client contact or training, or offer
9 them equivalent possibilities of securing a job with the placement site after graduation. 2U
10 “placement specialists” push students into clinical placement areas outside their planned
11 specialization and warn that if they do not accept placements outside of their intended
12 concentration, they will not be able to graduate on time.

13 83. For second-year clinical placements, 2U “placement specialists” fail to offer
14 USC’s online MSW students a choice of clinical placements, in contrast to USC’s representation
15 that students “will participate in selecting your own placement and have the opportunity to
16 choose based on your specialization.” On information and belief, USC placement counselors
17 give in-person MSW students a variety of options from which to choose.

18 **4. Other Programmatic Differences**

19 84. Students in USC’s online MSW program do not receive academic counseling
20 from USC faculty or staff; instead, they have designated “student success advisors” from 2U. In-
21 person students receive academic counselors who are USC faculty or staff. On information and
22 belief, USC faculty and staff are better able to guide students through academic programs.

23 85. Students in USC’s online MSW program do not receive career counseling
24 services from USC’s “*in-house career and professional development team*” as represented;
25 instead, 2U employees provide any career counseling for students in the online MSW program.
26 USC provides in-person students with an “in-house career and professional development team.”
27 On information and belief, USC’s in-house career and professional development team is better
28

1 able to help students identify and pursue job opportunities matching their professional ambitions
2 and making use of their professional skills.

3 **III. The Profit Incentive for USC’s MSW Program Growth**

4 86. Prior to 2010 (when USC first created the online MSW program), USC’s MSW
5 program graduated about 300 in-person, on-campus students per year.

6 87. In the years following 2010, the number of total MSW degrees conferred by USC
7 grew by leaps and bounds as a result of the expansion of the online MSW program—more than
8 doubling from 2011 to 2013 (from 373 to 847 graduates), then nearly doubling again by 2017 (to
9 1,472 graduates). The number of total MSW degrees awarded by USC per academic year
10 increased by 366% from 2010-11 to 2018-19 (from 373 to 1,367). By 2016, the student body
11 had grown to about 3,500 people—nearly quadrupling from the pre-2010 population.

12 88. As of 2016, USC officials publicly touted that the university had “the largest
13 social work school in the world,” and that “it educates 1 out of every 20 graduate-level social
14 workers in the country.” In recent years, USC has had by far the largest number of students
15 taking the Association of Social Work Boards (ASWB) Clinical Examination in California.

16 89. The explosive growth in USC’s MSW program was fueled by the growth of the
17 online MSW program, while the number of in-person students, limited by on-campus space and
18 resources dedicated by USC to the in-person program, has remained steady.

19 90. Related to the explosive growth in the online program, despite USC’s statements
20 that admissions standards are “the same” for its online and in-person MSW programs, they are
21 not. USC’s standards for admission to its online MSW program are different and lower than for
22 its in-person program.

23 91. Even after USC raised its admissions standards in 2021 to require an
24 undergraduate GPA of 3.0 for admission to its MSW program, USC continued to admit
25 candidates with significantly lower undergraduate GPAs to its online MSW program, but not to
26 its in-person MSW program. On information and belief, it is rare that USC rejects an applicant
27 for admission to its online MSW program.

1 92. The creation and growth of USC’s online MSW program coincides with USC’s
2 choice to partner with 2U.

3 93. 2U is what is known in the world of higher education as an online program
4 manager (“OPM”). OPMs are for-profit corporations that partner with universities—often non-
5 profits such as USC—to provide online services for university programs, including degree
6 programs.

7 94. USC relies on 2U to provide important student services that would normally be
8 provided directly by the university itself in the context of a degree-granting program. USC relies
9 on 2U to provide services to MSW online students that USC provides itself to its in-person, on-
10 campus MSW students. USC is ultimately responsible for the choices made and implemented
11 through its authorized partner on its behalf, for a program granting a degree in its name
12 (particularly for an accredited program such as the MSW graduate degree).

13 95. Unbeknownst to USC students, because of USC’s efforts to obscure and hide its
14 relationship with 2U, USC authorized and delegated to 2U employees many aspects of its online
15 MSW educational program, including, but going far beyond, the technical online “platform.” In
16 particular, 2U employees provide services that include: creating program materials, producing
17 course content (particularly the pre-recorded content), and providing academic and career
18 counseling for USC’s online MSW students. USC authorizes 2U to negotiate relationships with
19 outside entities for the clinical placement of students on its behalf, to assess and identify clinical
20 supervisors for the students, to arrange students’ clinical placements with those organizations,
21 and to pay host organizations, all without USC’s involvement. And USC also authorizes 2U to
22 act as its agent in marketing, advertising, and recruiting students for enrollment in the USC
23 program, including by collecting and assessing applications to the program, creating admissions
24 materials, and allowing 2U employees to pose as USC “enrollment specialists.” On information
25 and belief, USC’s website directs website inquiries for the online MSW program to its 2U
26 recruiters.

27 96. In exchange for performing these university functions for USC, USC compensates
28 2U with a portion of tuition revenue—on information and belief, 60% of all online MSW

1 program tuition. As of 2021, USC’s online MSW program enrolled more than 2,500 students.
2 Total annual tuition (at more than \$55,000 per year) for 2,500 students is \$137.5 million, 40% of
3 which (\$55 million) went to USC and 60% of which (\$82.5 million) went to 2U. Thus, both
4 USC and 2U profit directly from any increase in online MSW enrollment.

5 97. Lawmakers have recognized that the dynamic at work in the USC-2U approach to
6 enrollment—in which financial incentives, instead of educational prerogatives, drive student
7 recruitment and admission—is destructive to students. (See Higher Education Act (HEA), 20
8 U.S.C. § 1094, subd. (a)(20) [banning universities that receive federal funding from providing
9 incentive compensation to corporate partners like 2U].)

10 98. When universities and companies that recruit students into higher education are
11 set up to profit from more enrollments regardless of student outcomes, they are incentivized to be
12 aggressive in their sales tactics, up to and including using misleading or coercive approaches.
13 The university’s and company’s goal is to maximize enrollments rather than help students make
14 informed decisions about their education.

15 99. USC has certified to the U.S. Department of Education that it does not pay
16 incentive compensation, despite the fact that it pays 2U directly and solely based on its success
17 in enrolling students in USC’s online MSW program. For every student enrolled, 2U receives
18 incrementally more compensation in the form of a fixed share of that student’s tuition revenue.

19 100. In or around 2016, 2U donated \$2.5 million to USC to endow now-former Dean
20 Marilyn Flynn’s chair. 2U also separately donated to USC’s then-ongoing capital campaign (led
21 by then-president C. Max Nikias, who as provost had originated the 2U relationship).⁵

22 101. As explained above, in light of the 40/60% tuition splitting deal, both USC and
23 2U are bringing in tens of millions of dollars a year from the online MSW program alone.

24
25 ⁵ Former Dean Flynn has agreed to plead guilty to federal program bribery, 18 U.S.C. § 666(a)(2),
26 in connection with efforts to secure Los Angeles County contracts for the School of Social Work.
27 (See Plea Agreement for Defendant Marilyn Louise Flynn, *United States v. Flynn* (C.D. Cal. Sept.
28 15, 2022) No. 21-485, ECF 112.) On July 24, 2023, she was sentenced to three years of probation,
with eighteen months of home confinement, and a \$150,000 fine. (See Judgment &
Probation/Commitment Order, *United States v. Flynn* (C.D. Cal. July 24, 2023) No. 21-485, ECF
394.)

1 102. Former Dean Flynn described USC’s online MSW program as a “cash cow.”

2 **IV. USC Deliberately Conceals the Amount and Types of Services 2U Performs**

3 103. Under the “Experience” section of the Online Programs part of USC’s School of
4 Social Work webpage, USC provides a link to 2U, Inc. that describes 2U as a “*platform*.” The
5 only information provided about 2U on USC’s School of Social Work website states:

6 As the parent company of edX, a leading global online learning platform, 2U provides
7 over 46 million learners with access to world-class education in partnership with more
8 than 230 colleges, universities, and companies. Our people and technology are powering
9 more than 4,000 digital education offerings—from free courses to full degrees—and
10 helping unlock human potential. To learn more: visit 2U.com.

11 104. At all relevant times, nowhere on USC’s website for the School of Social Work or
12 the Master of Social Work program does USC tell the public or potential, incoming, or current
13 students that substantial portions of the program are outsourced to and run by 2U.

14 105. At all relevant times, nowhere on USC’s website for the School of Social Work
15 does USC inform the public or potential or actual applicants that it has outsourced, in particular,
16 student recruitment and enrollment in the online MSW program, including “enrollment
17 specialists,” to 2U, and that “enrollment specialists” posing as USC employees are in reality
18 employed by 2U.

19 106. At all relevant times, nowhere on USC’s website for the School of Social Work
20 does USC inform the public or potential, incoming, or current students that clinical placements
21 and other services are provided by employees of 2U and not USC.

22 107. 2U employees are provided with USC email addresses, particularly recruiters and
23 “enrollment specialists” whose goal is to hit enrollment targets (to maximize income for USC
24 and 2U). Placement specialists and career services staff employed by 2U are likewise given
25 USC email addresses. USC then directs students in the online MSW program to address issues
26 with the program to “approved contacts”—that is, the “student success advisors” and “field
27 placement specialists.” Those individuals are 2U and not USC employees. Students are not told
28

1 that the individuals they are interacting with, whom they believe are from USC, are in fact
2 employed by 2U.

3 **V. Students Pay a Huge Price When They Rely on USC’s Misleading Statements About**
4 **Its Online MSW Program**

5 108. USC determines the tuition for its MSW programs.

6 109. USC’s tuition for its MSW programs increased by nearly 50% between 2010 and
7 2020, exceeding \$100,000 by the 2016-2017 academic year. There is no basis for USC’s online
8 MSW program to be so expensive because a substantial portion of USC’s cost in providing its
9 MSW program is the cost of operating USC’s campus, but online MSW students do not get any
10 benefit from the campus.

11 110. USC’s MSW programs are by far the most expensive MSW programs based in
12 California.

13 111. Students in USC’s online MSW program are generally eligible (subject to terms
14 set by the Department of Education) to borrow student loans directly from the U.S. Department
15 of Education, known as “Grad PLUS” loans.

16 112. Unlike student loans for undergraduate education, there is no statutory cap on the
17 amount of Grad PLUS loans that a student can borrow, up to the cost of attendance. Cost of
18 attendance is set by the school, and encompasses tuition, fees, and the cost of living.

19 113. The median MSW student at USC who takes out federal student loans borrows
20 more than double the amount that the median borrower does from the next-closest California-
21 based program (\$123,809 for USC versus \$61,500 for Loma Linda University).

22 114. Between 2015 and 2018, graduates of USC’s MSW program collectively
23 borrowed more than \$500 million in federal student loans, more than at any other graduate
24 program in the country, in any field or profession.

25 115. USC’s most recently reported data indicate that its MSW graduates who have
26 federal student loans owe a median monthly loan payment of \$1,392. The median monthly
27 earnings for USC MSW graduates who received federal student loans is \$4,674. Thus, for the
28

1 median USC graduate with federal loans, they could expect to owe *nearly a third* of their
2 monthly income in student loans.

3 **VI. To Recruit Students to Its Online MSW Program, USC Engaged in Unlawful and**
4 **Unfair Hard-Sell Tactics and Racial Targeting**

5 116. USC authorized recruiters for its online MSW program (who really worked for
6 2U, but represented themselves as USC staff) to press students to apply and enroll with pressure
7 tactics and false or misleading representations and promises. And those recruiters intentionally
8 targeted USC's inferior, overpriced online MSW program to prospective students of color and
9 veterans.

10 **A. Hard-Sell Tactics**

11 117. The recruiters for USC's online MSW program are instructed to meet quarterly
12 enrollment targets and can be fired if they miss their targets. These targets are, at least at times,
13 unrealistic or impossible to reach.

14 118. To meet these targets, recruiters use "hard sell" recruitment techniques usually
15 associated with for-profit colleges, such as repeatedly calling and emailing potential applicants,
16 sometimes more than once a day.

17 119. Recruiters attempted to create a false sense of urgency to get people to enroll, by
18 inventing deadlines and financial incentives. For example, Plaintiff Sandra Campos received an
19 email on March 29 at 7:57 a.m., informing her that a waiver of her application fee had been
20 applied but would only be valid until March 30 at noon (just over 24 hours later). Ms. Campos
21 then submitted her application within hours.

22 120. Another email to Ms. Campos (from another 2U employee posing as USC staff)
23 specifically pressed, "We recommend a sense of urgency when requesting transcripts from your
24 undergraduate university as the turn around times vary from school to school." Recruiters
25 commonly offered waivers of the application fee to induce prospective students to complete their
26 applications in a hurry.

27 121. Recruiters regularly (and falsely) assure prospective students not to worry about
28 the cost of USC tuition because USC has scholarships available, GradPlus loans will cover the

1 costs, and, as social workers, program graduates will be able to apply for Public Service Loan
2 Forgiveness from the federal government.

3 122. For example, Plaintiff Sandra Campos received an email from
4 sswvac@msw.usc.edu that stated: “We understand that enrolling in a Master of Social Work
5 program is a significant investment in your future - but with the many financial aid options
6 available to you, cost does not need to be the primary factor in your decision to apply to the
7 University of Southern California’s MSW@USC. Most MSW@USC applicants explore a
8 number of available financial aid options, including scholarships, grants and federal loans.”

9 123. Contrary to statements made by USC and its authorized 2U representatives,
10 Public Service Loan Forgiveness is not available to all social workers (for instance, if a social
11 worker is employed by a for-profit health care facility or private practice).

12 124. Contrary to statements made by USC and its authorized 2U representatives, USC
13 makes scholarships available to in-person MSW students that it does not make available to
14 online MSW students.

15 125. MSW students were repeatedly promised scholarships from USC by recruiters
16 that were never provided.

17 **B. Racially Targeted Marketing**

18 126. It was and is USC’s practice and/or policy to target people of color and/or
19 veterans, including Plaintiffs, on the basis of their race and/or veteran status for enrollment in the
20 inferior online MSW program.

21 127. The recruiters for the USC online MSW program target specific populations that
22 are singled out because of their race, age, gender, socioeconomic status, veteran status, or a
23 combination of those factors.

24 128. These recruiters have used offensive materials for recruitment training, including
25 a cartoon graphic that caricatured potential recruitment targets according to their race, age,
26 gender, socioeconomic status, and veteran status.


27 129. For instance, the graphic included a Black woman labeled “Needy Nelly,” who
28 was assigned an age of 23, an undergraduate GPA of 3.0, and the following characteristics: “high

1 touch, needs hand-holding, calls and emails everyone, has trouble with application.” “Needy
 2 Nelly” was also assigned a “Conversion Probability” of 1—that is, most likely to be “converted”
 3 from a prospective applicant to an enrollee.

4 130. The graphic also assigned a “Conversion Probability” of 1 to “Confirmed
 5 Carmen,” a Latina woman, age 26, from California, with an undergraduate GPA “at or below”
 6 3.0; and to “Military Mike,” a white man, age 30, with an undergraduate GPA “at or below” 3.0
 7 and characteristics including “wants a free ride” and “not as ‘social work’ ready.”

8 131. By contrast, the graphic gave the lowest “Conversion Probability” score to
 9 “Money Molly”—a white woman with an age of 25, an undergraduate GPA of 4.0, and the
 10 characteristics of “very intelligent, not high-touch, avoids recruitment efforts.”

11 132. The graphic is reproduced below:

<p>PERSONA 1</p> <p>Confirmed Carmen</p>  <p>“My dream is to get my MSW from USC. I just hope I get in”</p> <p>AGE 26 GPA AT OR BELOW 3.0 LOCATION LOS ANGELES UNDERGRAD CAL STATE SYSTEM BIO LATINA, FEMALE FROM CALIFORNIA, CONVERSION PROBABILITY RATING (CPR) IS 1</p> <p>USC Social Work</p>	<p>PERSONA 2</p> <p>Military Mike</p>  <p>“I want to help other veterans who have gone through the same thing as I did. Hoorah!”</p> <p>AGE 30 GPA AT OR BELOW 3.0 LOCATION SAN DIEGO FINANCES VETERAN BENEFITS ELIGIBLE BIO CAUCASIAN MALE, WANTS A FREE RIDE, DOES NOT WANT TO TAKE OUT LOANS, ON-GROUND ONLY, NOT AS “SOCIAL WORK” READY, MILITARY MINDSET, CONVERSION PROBABILITY RATING (CPR) IS 1</p> <p>USC Social Work</p>	<p>PERSONA 3</p> <p>Money Molly</p>  <p>“I can get my msw wherever I want. Just waiting to see who offers me the most money”</p> <p>AGE 25 GPA 4.0 LOCATION CHICAGO UNDERGRAD UNIVERSITY OF CHICAGO BIO CAUCASIAN FEMALE, HAS BEEN ADMITTED EVERYWHERE, WANTS FULL RIDE, VERY INTELLIGENT, NOT HIGH-TOUCH, AVOIDS RECRUITMENT EFFORTS, CONVERSION PROBABILITY RATING (CPR) IS 4</p> <p>USC Social Work</p>
<p>PERSONA 4</p> <p>Withdrawing Joaquin</p>  <p>“I’m not really sure if I’m ready to commit, can I call you back next week?”</p> <p>AGE 34 GPA 3.2 LOCATION CALIFORNIA FINANCES LITTLE OR NONE BIO LATINO MALE, OLDER, AFRAID OF COMMITTING, WANTS TO DEFER HIS ENROLLMENT, WANTS WORK EXPERIENCE, HAS A LOT ON HIS PLATE RIGHT NOW, CONVERSION PROBABILITY RATING (CPR) IS 3</p> <p>USC Social Work</p>	<p>PERSONA 5</p> <p>Needy Nelly</p>  <p>“Can I call you? I have so many questions about this program.”</p> <p>AGE 23 GPA 3.0 LOCATION LOS ANGELES UNDERGRAD CAL STATE SYSTEM BIO AFRICAN-AMERICAN FEMALE, HIGH TOUCH, NEEDS HAND-HOLDING, CALLS AND EMAILS EVERYONE, HAS TROUBLE WITH APPLICATION, CONVERSION PROBABILITY RATING (CPR) IS 1</p> <p>USC Social Work</p>	<p>PERSONA 6</p> <p>Career Change Connie</p>  <p>“I’m so tired of the corporate world. I’m ready to help others now”</p> <p>AGE 38 GPA 3.2 LOCATION CALIFORNIA UNDERGRAD UCLA BIO CAUCASIAN FEMALE, OLDER, RETURNING STUDENT, TIRED OF THE BUSINESS-RELATED CAREER THEY CHOSE, MENTAL HEALTH OR CLINICAL FOCUS, NO SOCIAL WORK EXPERIENCE, CONVERSION PROBABILITY RATING (CPR) IS 2</p> <p>USC Social Work</p>

1 133. On information and belief, consistent with these training documents, recruiters
2 incorporated racialized tactics into marketing and promotion, including but not limited to the
3 content of advertisements, and the parameters for targeting digital advertising.

4 134. On information and belief, marketing for the online MSW program was targeted
5 based on race and/or veteran status using display ad networks that allow tracking and
6 dissemination of online advertising to targeted audiences. On information and belief, display ad
7 networks use pixels or other tracking tools to monitor website visitors' activity around the
8 internet. The ad networks purchase advertising space on a variety of websites—such as news
9 outlets, blogs, social media websites, and other forums—so that someone fitting a particular
10 profile and who might have searched for social work programs would see advertisements for the
11 online MSW program prominently wherever she went on the internet.

12 135. On information and belief, the enrollment in USC's online MSW program is
13 disproportionately composed of people of color and veterans, compared to the demographics of
14 USC's in-person MSW program.

15 136. On information and belief, USC recruiters (actually 2U employees in disguise) are
16 not using the same targeted marketing and recruiting efforts to recruit anyone to USC's in-person
17 MSW program, let alone targeting people of color or veterans for the in-person program. USC's
18 operatives reserve the high-pressure and racialized tactics for those it recruits to its different and
19 unequal online MSW program.

20 **VII. Plaintiffs' Experience in the USC Online MSW Program**

21 **A. Plaintiff Stephanie Luna**

22 137. Ms. Luna started USC's online MSW program on May 13, 2019 and graduated on
23 May 19, 2021. Ms. Luna is a Latina woman.

24 138. Ms. Luna learned about USC's online MSW program from information available
25 on USC's School of Social Work website. She understood from the website that all the features
26 of the MSW program described there applied to both the online and in-person programs—that's
27 what the MSW from USC was.

1 139. She submitted an inquiry and provided her contact information on the USC
2 website. She was not aware that the personal contact information that she provided through the
3 website would be given to people who were not employed by USC.

4 140. She was then contacted by a recruiter, whom she believed was USC staff, who
5 encouraged Ms. Luna to apply to USC’s online MSW program. The recruiter used a USC email
6 address and had a signature block as follows (with individually identifying information removed
7 here):

8 [Name]
9 MSW@USC Admissions
10 USC Suzanne Dworak-Peck School of Social Work
11 [Phone number] | [name]@msw.usc.edu

12 141. When Ms. Luna expressed concern about being able to pay for USC, the recruiter
13 responded that federal student loans would “cover everything” and that she wouldn’t need to
14 worry about affording repayment. The recruiter encouraged Ms. Luna to get her materials in as
15 quickly as possible so that she could start with the May 2019 cohort.

16 142. The recruiter with whom Ms. Luna spoke actually worked for 2U, and not for
17 USC.

18 143. Ms. Luna decided to enroll in USC’s online MSW program because of the
19 reputation of USC’s in-person program and because of USC’s representations that USC’s online
20 MSW program was the same as its in-person program, based on the USC website and
21 advertisements for the program.

22 144. The MSW program Ms. Luna received was not the MSW program that USC had
23 represented. In particular, the instructors, the curriculum and course content, and the field
24 opportunities were *not* the same as those provided to students in USC’s in-person program. For
25 example, pre-recorded lessons didn’t match up with the material that was taught in live
26 presentations. When Ms. Luna raised the issue to one of her live instructors, the instructor was
27 not familiar with the prerecorded content and told her to ignore it. Many of her instructors did
28 not teach in USC’s in-person MSW program.

1 145. Ms. Luna also observed that several of her instructors were not in California and
2 lacked connections to the California social work community. Instructors were located in various
3 other states, including Florida, Georgia, Illinois, and Washington. Her faculty field liaison was
4 located in Nevada.

5 146. During the program, Ms. Luna corresponded with two “student success advisors”
6 who used USC email addresses and had signature blocks displaying the following information
7 (with individually identifying information removed here):

8 [Name]
9 VAC Student Success Advisor
10 USC Suzanne Dworak-Peck School of Social Work
11 [Phone number] | [name]@msw.usc.edu

12 147. As one student success advisor put it, their role was to be the point of contact for
13 “questions or concerns you have around academic support/resources, registration, course outline
14 [sic], [or] expectation setting.”

15 148. These advisors actually worked for 2U, and not for USC.

16 149. The internship process was confusing. A placement specialist, whom Ms. Luna
17 believed worked for USC, pressured Ms. Luna to work at USC’s own telehealth program, the
18 Telebehavioral Health Clinic, for her clinical placement. The placement specialist emailed Ms.
19 Luna early on in the process (from a USC email address) and told Ms. Luna that she needed to
20 urgently apply, because USC telehealth was extremely competitive and clinically demanding.
21 Ms. Luna was not presented with any other choices and was not given time to look into
22 alternatives. Ms. Luna was told by the placement specialist that the clinic would be an
23 opportunity to gain experience with a variety of different treatment modalities, but she was not
24 provided the opportunity to gain experience with any of those modalities.

25 150. The placement specialist who directed Ms. Luna to telehealth as a clinical
26 placement actually worked for 2U, rather than for USC.

27 151. Ms. Luna had no reason to suspect that individuals with USC email addresses
28 purporting to represent USC actually worked for 2U, a for-profit company, and did not and could
not know that her USC enrollment specialist, student success advisor, and placement specialist

1 were in fact 2U employees rather than USC employees. Ms. Luna did not learn that the staff
2 with whom she interacted were actually 2U rather than USC employees until after she had
3 graduated and read the November 2021 *Wall Street Journal* article.

4 152. Ms. Luna had no reason to suspect that USC was targeting her for enrollment and
5 admission into its unequal and inferior online MSW program because of race or national origin.
6 Ms. Luna did not learn of USC's unlawful targeting and reverse redlining until after she had
7 graduated and read the November 2021 *Wall Street Journal* article.

8 153. When Ms. Luna learned about the targeted marketing for the program after
9 reading the November 2021 *Wall Street Journal* article, she realized that she met the exact
10 description of the caricature of the Latina target recruit, "Confirmed Carmen." She now
11 understands that she was targeted by USC because of her race and her gender.

12 154. Today, Ms. Luna has over \$100,000 in debt from attending USC's online MSW
13 program, which requires a substantial portion of her income.

14 155. If Ms. Luna had known that she would be paying over \$100,000 to attend USC's
15 online MSW program that was not the same as USC's in-person MSW program, as stated
16 repeatedly by USC, she would have declined to enroll at USC.

17 **B. Plaintiff Sandra Campos**

18 156. Ms. Campos started the USC online MSW program on May 14, 2019 and
19 graduated on May 19, 2021. Ms. Campos is a Latina woman.

20 157. Ms. Campos learned about USC's online MSW program from information
21 available on USC's School of Social Work website. She understood from the website that all the
22 features of the MSW program described there applied to both the online and in-person
23 programs—that's what the MSW from USC was.

24 158. After Ms. Campos applied, she initially received a letter of denial from what she
25 thought was USC. But shortly after, a recruiter, who she also thought worked for USC, reached
26 out to her and explained that the denial was a mistake. The recruiter told her that the recruiter
27 would pass on Ms. Campos's information and let her know of updates. Within a few weeks, the
28 recruiter emailed again to congratulate Ms. Campos on being admitted.

1 159. After receiving her offer of admission, Ms. Campos received emails every day
2 urging her to sign an “intent to enroll” document. She also received numerous calls from
3 recruiters urging her to get started in the program as soon as possible.

4 160. The recruiter who reached out to Ms. Campos used a USC email address and had
5 a signature block as follows (with individually identifying information removed here):

6 [Name]
7 MSW@USC Admissions
8 USC Suzanne Dworak-Peck School of Social Work
9 [Phone number] | [name]@msw.usc.edu

10 161. When deciding whether to attend the online program, Ms. Campos asked the
11 recruiter why the tuition was the same as the on-campus program. The recruiter responded that
12 the quality of the education and other aspects of the program were the “same.”

13 162. Likewise, an email titled “Why Choose the MSW@USC?” promised that “*All*
14 *MSW@USC* classes are live, collaborative, seminar-style sessions.”

15 163. The recruiter with whom Ms. Campos spoke actually worked for 2U, and not for
16 USC.

17 164. Ms. Campos decided to enroll in USC’s online MSW program because of the
18 reputation of USC’s in-person program and because of USC’s representations that USC’s online
19 MSW program was the same as its in-person program, based on the USC website and
20 advertisements for the program.

21 165. The MSW program Ms. Campos received was not the MSW program that USC
22 had represented. In particular, the instructors, the curriculum and course content, and the field
23 opportunities were not the same as those provided to students in USC’s in-person program. For
24 example, Ms. Campos was not provided the live, collaborative, seminar-style classes taught by
25 esteemed faculty that USC had represented. Ms. Campos’ online MSW program consisted in
26 significant part of pre-recorded, “asynchronous” content, mostly of PowerPoints and YouTube
27 videos. What live classroom instruction there was would sometimes contradict or otherwise
28 completely depart from what the asynchronous material had said.

1 166. Ms. Campos also observed that several of her instructors were not in California
2 and lacked connections to the California social work community. Instructors were located in
3 various other states, including Tennessee, Ohio, Pennsylvania, Wisconsin, Utah, Maryland,
4 Florida, and Georgia. Her faculty field liaison was located in Nevada.

5 167. Ms. Campos often received little or no feedback on her work. She wanted but did
6 not receive a learning experience that involved more interaction with professors and other
7 students.

8 168. During the program, Ms. Campos corresponded with a “student success advisor”
9 who used a USC email address and had a signature block displaying the following information
10 (with individually identifying information removed here):

11 [Name]
12 VAC Student Success Advisor
13 USC Suzanne Dworak-Peck School of Social Work
14 [Phone number] | [name]@msw.usc.edu

15 169. This advisor actually worked for 2U, and not for USC.

16 170. Ms. Campos had no reason to suspect that individuals with USC email addresses
17 purporting to represent USC actually worked for 2U, a for-profit company, and did not and could
18 not know that her USC enrollment specialist and student success advisor were in fact 2U
19 employees rather than USC employees. Ms. Campos did not learn that the staff with whom she
20 interacted were actually 2U rather than USC employees until after she had graduated and read
21 the November 2021 *Wall Street Journal* article.

22 171. Ms. Campos had no reason to suspect that USC was targeting her for enrollment
23 and admission into its unequal and inferior online MSW program because of race or national
24 origin. Ms. Campos did not learn of USC’s unlawful targeting and reverse redlining until after
25 she had graduated and read the November 2021 *Wall Street Journal* article.

26 172. When Ms. Campos learned about targeted marketing for the program after reading
27 the November 2021 *Wall Street Journal* article, she realized that she met the exact description of
28 the caricature of the Latina target recruit, “Confirmed Carmen.” She now understands that she
was targeted by USC because of her race and her gender.

1 173. Today, Ms. Campos has over \$100,000 in debt from attending USC’s online
2 MSW program, which requires a substantial portion of her income.

3 174. If Ms. Campos had known that she would be paying over \$100,000 to attend
4 USC’s online MSW program that was not the same as USC’s in-person MSW program, as stated
5 repeatedly by USC, she would have declined to enroll at USC.

6 **C. Plaintiff Deonte Simpkins**

7 175. Mr. Simpkins started the USC online MSW program on January 11, 2021 and
8 finished his degree on December 2, 2022. He will graduate on May 12, 2023. Mr. Simpkins is a
9 Black man.

10 176. Mr. Simpkins researched USC’s online MSW program by visiting USC’s School
11 of Social Work website. He understood from the website that all the features of the MSW
12 program described there applied to both the online and the in-person programs—that’s what the
13 MSW from USC was.

14 177. Mr. Simpkins submitted an inquiry and provided his contact information on the
15 USC website. He was not aware that the personal contact information that he provided through
16 the website would be given to people who were not employed by USC.

17 178. After he submitted his contact information, Mr. Simpkins received numerous calls
18 from recruiters who urged him to apply as quickly as possible.

19 179. These recruiters represented that the online MSW program was the same as the
20 on-campus program.

21 180. After Mr. Simpkins applied and was quickly accepted, recruiters continued to call
22 him constantly, urging him to enroll. One recruiter, who pretended to be a USC employee, told
23 Mr. Simpkins that he needed to start as soon as possible. Mr. Simpkins was pressured to enroll
24 even before finalizing his financial aid offer.

25 181. The recruiters with whom Mr. Simpkins spoke actually worked for 2U, and not
26 for USC.

27 182. Mr. Simpkins decided to enroll in USC’s online MSW program because of the
28 reputation of USC’s in-person program and because of USC’s representations that USC’s online

1 MSW program was the same as USC's on-campus MSW program, based on the USC website
2 and advertisements for the program.

3 183. The MSW program Mr. Simpkins received was not the MSW program that USC
4 had represented. In particular, the instructors, the curriculum and course content, and the field
5 opportunities were *not* the same as those provided to students in USC's in-person program. For
6 example, most of Mr. Simpkins' classes consisted of prerecorded videos of instructors describing
7 slide shows. Instructors in those prerecorded videos were not part of the regular USC faculty
8 and did not otherwise have teaching responsibilities for in-person students. Many of Mr.
9 Simpkins' instructors, including for live instruction, taught exclusively in the online program and
10 did not teach in the in-person MSW program.

11 184. Likewise, Mr. Simpkins' internship field placement was unrelated to and
12 unhelpful in preparing him for his career goals. Mr. Simpkins knew entering the program that he
13 intended to pursue clinical practice after graduating. Recruiters told him at the time that he
14 would have the same range of internship field placement opportunities even though he was in
15 San Diego. USC's website represented that he would receive the "same" quality field experience
16 as in the on-campus program to prepare him for practice.

17 185. When Mr. Simpkins identified several providers where he could develop the skills
18 he needed for practice, his placement specialist ignored Mr. Simpkins' stated goals and instead
19 told him his only options were case management internships. Clinical practice involves a
20 different set of skills and experience with a different client population than case management. At
21 his first placement, the provider only offered case management services and no clinical services.
22 Mr. Simpkins was called racial slurs and feared for his safety. The placement specialist then told
23 him he would go to a placement that was nearly 35 miles away from where he lived and that
24 focused on a completely different client group than the population he needed to learn to work
25 with. When Mr. Simpkins raised concerns about both the cost of traveling to this placement and
26 the mismatch with his training needs and goals, the placement specialist told him that if he did
27 not take this placement, he would have to push back his graduation date and enroll for additional
28

1 semesters. Mr. Simpkins’ clinical placement did not prepare him to do the work he planned to
2 do after graduation.

3 186. On information and belief, the placement specialist who directed Mr. Simpkins to
4 case management rather than clinical services placements actually worked for 2U, rather than for
5 USC.

6 187. During the program, Mr. Simpkins corresponded with two “student success
7 advisors” who used USC email addresses and had signature blocks displaying the following
8 information (with individually identifying information removed here):

9 [Name]
10 VAC Student Success Advisor
11 USC Suzanne Dworak-Peck School of Social Work
[Phone number] | [name]@msw.usc.edu

12 188. A welcome email for Mr. Simpkins’s first semester stated that the student success
13 advisor would be “the staff member you will consult with regarding academic support and
14 support tutorial resources.”

15 189. These advisors actually worked for 2U, and not for USC.

16 190. Mr. Simpkins had no reason to suspect that individuals with USC email addresses
17 purporting to represent USC actually worked for 2U, a for-profit company, and did not and could
18 not know that his USC enrollment specialist, student success advisor, and placement specialist
19 were in fact 2U employees rather than USC employees. Mr. Simpkins did not learn that the staff
20 with whom he interacted were actually 2U rather than USC employees until after he read the
21 November 2021 *Wall Street Journal* article. When he read about other students’ experiences
22 with 2U employees posing as USC admissions personnel, he recognized that it was exactly what
23 had happened to him—he had been bamboozled.

24 191. Mr. Simpkins had no reason to suspect that USC was targeting him for enrollment
25 and admission into its unequal and inferior online MSW program because of race or national
26 origin. Mr. Simpkins did not learn of USC’s unlawful targeting and reverse redlining until he
27 read the November 2021 *Wall Street Journal* article. Mr. Simpkins now understands that he was
28 targeted by USC for enrollment in its inferior online program because of his race.

1 192. Today, Mr. Simpkins has over \$100,000 in debt from attending USC’s online
2 MSW program, which requires a substantial portion of his income.

3 193. If Mr. Simpkins knew that he would be paying over \$100,000 to attend USC’s
4 online MSW program that was not the same as USC’s on-campus MSW program, as stated
5 repeatedly by USC, he would have declined to enroll at USC.

6 **VIII. Harm to Named Plaintiffs and Their Online Classmates**

7 194. Plaintiffs and their online classmates all paid very substantial amounts of money
8 to USC for a graduate educational program that was supposed to be the same as USC’s in-person
9 program (including faculty, curriculum, clinical placements and other services) but was not.

10 195. The six-figure tuition at USC’s School of Social Work reflects the market price of
11 USC’s *on-campus* MSW program, not the online MSW program that Plaintiffs and their
12 classmates attended.

13 196. USC intentionally and willfully overcharged its online MSW students for an
14 unequal and inferior online educational program, not the “same” program it represented and
15 described.

16 197. Although Plaintiffs and their online classmates paid the same price as on-campus
17 students, they did not receive the same classroom experience, the same curriculum, the same
18 teachers, the same education, the same clinical options, the same academic advising, the same
19 career services, or the same relationship with the university.

20 198. Plaintiffs and their classmates agreed to enroll and pay USC’s tuition for the
21 program as it was described by USC: one that was *the same academic program* as USC’s
22 respected in-person MSW program. Had Plaintiffs and their classmates not been deceived by
23 USC’s unlawful practices, they would not have been willing to pay over \$100,000 for USC’s
24 online MSW program.

25 **CLASS ALLEGATIONS**

26 199. Plaintiffs bring this class action individually and on behalf of all similarly situated
27 persons as described herein (the “Class” or “Class Members”):
28

1 All California citizens who, at the time of the filing of this complaint, are or have been
2 students in the online Master of Social Work degree program at the USC School of Social
3 Work at any time during the period from four years before the filing of this complaint
through the date of final judgment.

4 200. Plaintiffs also bring this class action on behalf of the following subclass (the
5 “Unruh Act Subclass,” “Subclass,” or “Subclass Members”):

6 All California citizens who are people of color or veterans and who, at the time of the
7 filing of this complaint, are or have been students in the online Master of Social Work
8 degree program at the USC School of Social Work at any time through the date of final
judgment.

9 201. This action is appropriately brought as a class action pursuant to Code of Civil
10 Procedure § 382 and Civil Code § 1781 because there exists an ascertainable and sufficiently
11 numerous Class and Subclass, a well-defined community of interest, and substantial benefits
12 from certification that render proceeding as a class superior to the alternatives.

13 202. Numerosity and Ascertainability: The size of the Class and Subclass makes a
14 class action both necessary and efficient. On information and belief, over a thousand people
15 each year have graduated from USC’s School of Social Work during the relevant class period.
16 On information and belief, the vast majority of those students are online students in USC’s
17 online MSW program, and a majority of online MSW program students are citizens of California
18 and a majority are people of color or veterans. Accordingly, over the course of the proposed
19 class period, Class Members and Subclass Members number in the hundreds or thousands, and
20 membership is so numerous that joinder of all individual class members would be impracticable.
21 Members of the Class and Subclass are easily ascertainable through USC’s business records.

22 203. Predominant Common Questions of Law and Fact: Common questions of law and
23 fact affecting the rights of all Class Members predominate over any individualized issues. These
24 questions include, but are not limited to:

25 a. Whether USC advertised its online MSW program inaccurately as
26 essentially the same as its in-person program, when in fact it is not;

1 b. Whether a reasonable person in Plaintiffs’ and proposed Class Members’
2 position would have been deceived by USC’s representations and omissions throughout
3 the recruitment, educational, and career development processes;

4 c. Whether a reasonable consumer would have paid USC’s in-person MSW
5 tuition, in excess of \$100,000, for the services in USC’s online MSW program if they
6 knew USC’s online MSW program was not in fact the same as or equivalent to USC’s in-
7 person MSW program;

8 d. Whether USC is liable to Plaintiffs and members of the proposed Class for
9 the difference between the USC School of Social Work’s in-person tuition and the
10 amount that a reasonable consumer would be willing to pay for a fairly advertised online
11 program such as Class Members actually attended;

12 e. Whether USC violated Civil Code § 1770 *et seq.* with respect to Plaintiffs
13 and Members of the proposed Class;

14 f. Whether USC violated Business and Professions Code § 17500 *et seq.*
15 with respect to Plaintiffs and Members of the proposed Class;

16 g. Whether USC was unjustly enriched at the expense of Members of the
17 proposed Class; and

18 h. Whether USC violated Business and Professions Code § 17200 *et seq.*
19 with respect to Plaintiffs and Members of the proposed Class.

20 204. Common questions of law and fact affecting the rights of all Subclass Members
21 predominate over any individualized issues. These questions include, but are not limited to:

22 a. Whether USC intentionally discriminated and engaged in reverse redlining
23 against Subclass Members based on their race, national origin, or status as veterans.

24 205. There are no defenses of a unique nature that may be asserted against the
25 Plaintiffs individually, as distinguished from the Class or Subclass as a whole, and the relief
26 sought is common to the Class and Subclass.

27 206. Typicality: Plaintiffs’ claims are typical of the claims of the proposed Class and
28 Subclass. All members of the proposed Class were subject to the same uniform conduct: USC’s

1 false and misleading representations that its online MSW program is the same as its on-campus
2 MSW program, when it is, in fact, a different and inferior academic program compared to the on-
3 campus MSW program. All members of the proposed Subclass were subject to the same conduct
4 with respect to targeting them for enrollment in the inferior online MSW program on the basis of
5 race, national origin, and/or veteran status.

6 207. Adequacy of Representation: Plaintiffs will fairly and adequately protect the
7 interests of the Class and Subclass. Plaintiffs' counsel is highly experienced in class action cases
8 of this sort, including, specifically, classes of college student consumers. Plaintiffs and their
9 counsel seek to vigorously prosecute this action on behalf of the Class and Subclass. There are
10 no conflicts of interest between Plaintiffs and Class Members and Subclass Members.

11 208. Superiority of Class Mechanism: A class action is superior to all other available
12 methods for the fair and efficient adjudication of this matter. USC's liability is based on
13 statements made to the public at large. Plaintiffs and members of the proposed Class and
14 Subclass have all suffered the same harm, which is the inflated cost of USC's online MSW
15 program, which a reasonable consumer would have paid less for had they known that it was not
16 the same as USC's on-campus MSW program. Individualized litigation over this question would
17 be unduly burdensome and costly to the parties and to the court system in resolving this
18 controversy. A class action is the best means to utilize the resources of the parties and the court
19 system and protect the rights of Class Members. Further, separate actions by individual
20 members of the Class would create a risk of inconsistent or varying adjudications which would
21 establish incompatible standards of conduct for USC and/or substantially impair or impede the
22 ability of other Class Members to protect their interests.

23 209. Generally Applicable Action: USC has acted on grounds generally applicable to
24 the Class and Subclass, thereby making appropriate final injunctive relief and corresponding
25 declaratory relief with respect to the Class and Subclass as a whole.

26 //

27 //

28 //

1 **FIRST CAUSE OF ACTION**

2 **Violation of the California Consumer Legal Remedies Act,**

3 **California Civil Code § 1770 *et seq.***

4 **(On behalf of the Class against USC)**

5 210. Plaintiffs restate and incorporate by reference the allegations in all paragraphs
6 above as though fully set forth herein.

7 211. Plaintiffs and the members of the proposed Class are “consumers” under the terms
8 of Civil Code § 1761(d).

9 212. USC’s online MSW program promoted and provided by USC is a “service”
10 and/or “goods” as defined by Civil Code § 1761(a) and (b).

11 213. At all times relevant, USC constituted and constitutes a “person” as defined by
12 Civil Code § 1761(c), and Plaintiffs and Class Members’ enrollment in and/or payment of tuition
13 for the online MSW program constitute “transactions” as defined by Civil Code § 1761(e).

14 214. USC violated the Consumer Legal Remedies Act, Civil Code § 1770 *et seq.*, by
15 engaging in unfair, deceptive, unlawful, and unconscionable commercial practices in connection
16 with the sale of services to consumers and by making false, deceptive, and/or misleading
17 representations.

18 215. Specifically, USC has violated the following provisions of this Act:

19 a. § 1770(a)(1) by “[p]assing off goods or services as those of another”; that
20 is, passing off a good or service that was, in material respects, provided by 2U as if it
21 were a USC good or service in all respects;

22 b. § 1770(a)(2) by “[m]isrepresenting the source” of goods and services; that
23 is, misrepresenting to prospective students that the online MSW program is USC’s
24 product when part of it is not;

25 c. § 1770(a)(3) by “[m]isrepresenting the affiliation, connection, or
26 association with, . . . another”; that is, failing to disclose, and in fact deliberately
27 obfuscating, its affiliation with 2U;

1 d. § 1770(a)(5) by “[r]epresenting that goods or services have characteristics,
2 . . . uses, benefits, or quantities that they do not have or that a person has a sponsorship,
3 approval, status, affiliation, or connection that the person does not have”; that is,
4 misrepresenting that USC’s online MSW program is substantively the same as USC’s in-
5 person MSW program;

6 e. § 1770(a)(7) by “[r]epresenting that goods or services are of a particular
7 standard, quality, or grade, or that goods are of a particular style or model, if they are of
8 another”; that is, misrepresenting that USC’s online MSW program is the same as USC’s
9 in-person MSW program, when in fact it is inferior in material respects as described
10 above; and

11 f. § 1770(a)(9) by “[a]dvertising goods or services with intent not to sell
12 them as advertised”; that is, advertising that USC’s online MSW program is the same as
13 USC’s in-person MSW program, when in fact USC intends to (and does) provide an
14 online MSW program that is not substantively the same as USC’s in-person MSW
15 program.

16 216. Plaintiffs seek a public injunction pursuant to Civil Code § 1780(a)(2) enjoining
17 future unfair, deceptive, unlawful, and unconscionable commercial practices by USC, including
18 failing to provide an online MSW program that is, in fact, substantively the same as USC’s on-
19 campus program while portraying USC’s online MSW program as the same as (not distinct and
20 substantively different from) the on-campus USC MSW program that students are told they will
21 receive.

22 217. On May 4, 2023, Plaintiffs’ counsel sent notice to USC pursuant to Civil Code
23 § 1782. To date, USC has not remedied its unfair, deceptive, unlawful, and unconscionable
24 commercial practices in connection with the sale of USC’s online MSW program to consumers
25 or its false, deceptive, and/or misleading representations as outlined in the written notice sent to
26 USC. Accordingly, pursuant to Civil Code § 1782(b), (c), and (d), Plaintiffs seek restitution and
27 actual and punitive damages, on behalf of themselves and all others similarly situated, under
28 Civil Code §§ 1780 and 1781.

1 224. Plaintiffs and Class Members are entitled to restitution under the FAL in the form
2 of the difference between what they paid in tuition and what a reasonable student would pay for
3 a program accurately advertised as substantively different from the in-person MSW program,
4 and operated in substantial part by 2U rather than by USC.

5 **THIRD CAUSE OF ACTION**

6 **Unjust Enrichment**

7 **(On behalf of the Class against USC)**

8 225. Plaintiffs restate and incorporate by reference the allegations in all paragraphs
9 above as though fully set forth herein.

10 226. Plaintiffs and Class Members conferred an economic benefit on USC by paying
11 more than \$110,000 each for USC’s online MSW program.

12 227. USC has been unjustly enriched at the expense of Plaintiffs and Class Members,
13 and USC has unjustly retained the benefit of its unlawful and wrongful conduct, because
14 Plaintiffs and Class Members did not receive the services that USC stated that it would provide.

15 228. USC has alternatively been unjustly enriched at the expense of Plaintiffs and
16 Class Members, and USC has unjustly retained the benefit of its unlawful and wrongful conduct,
17 because USC charged a higher price for the services that Plaintiffs and Class Members received
18 than the true value of those services or the price that Plaintiffs and Class Members would have
19 paid if the true features of USC’s online MSW program had been disclosed.

20 229. It would be inequitable and unjust for USC to be permitted to retain any of the
21 unlawful proceeds resulting from its unlawful and wrongful conduct.

22 230. Plaintiffs and Class Members are accordingly entitled to equitable relief including
23 restitution and disgorgement of all revenues, earnings, and profits that USC obtained as a result
24 of its unlawful and wrongful conduct.

25 //
26 //
27 //
28 //

1 **FOURTH CAUSE OF ACTION**

2 **Unruh Civil Rights Act,**

3 **California Civil Code § 51**

4 **(On behalf of the Subclass against USC)**

5 231. Plaintiffs restate and incorporate by reference the allegations in all paragraphs
6 above as though fully set forth herein.

7 232. The Unruh Civil Rights Act provides that “All persons within the jurisdiction of
8 this state are free and equal, and no matter what their sex, race, color, religion, ancestry, national
9 origin, disability, medical condition, genetic information, marital status, sexual orientation,
10 citizenship, primary language, or immigration status are entitled to the full and equal
11 accommodations, advantages, facilities, privileges, or services in all business establishments of
12 every kind whatsoever.” Civ. Code § 51(b).

13 233. USC is a “business establishment” within the meaning of Civil Code § 51(b).

14 234. USC’s online MSW program is an accommodation, advantage, facility, privilege,
15 and/or service within the meaning of those terms in Civil Code § 51(b).

16 235. USC’s acts, policies, and practices in advertising, soliciting, recruiting for, and
17 providing USC’s online MSW program, including but not limited to targeting an inferior product
18 to Subclass Members, are intentionally discriminatory on the basis of race, color, ancestry,
19 national origin, and/or veteran status, constitute reverse redlining, and violate Civil Code § 51(b).

20 236. Plaintiffs and Class Members are entitled to actual damages according to proof,
21 and up to three times actual damages, but not less than \$4,000 for each and every offense, under
22 Civil Code § 52(a).

23 237. Plaintiffs and Class Members are entitled to attorneys’ fees under Civil Code
24 § 52(a).

25 //

26 //

27 //

28 //

1 **FIFTH CAUSE OF ACTION**

2 **Violation of the Unfair Competition Law,**
3 **California Business and Professions Code § 17200 *et seq.***

4 **(On Behalf of the Class against USC)**

5 238. Plaintiffs restate and incorporate by reference the allegations in each and every
6 preceding paragraph as though fully set forth herein.

7 239. Throughout the relevant time period, USC violated the Unfair Competition Law,
8 Business and Professions Code § 17200 *et seq.*, by engaging in business acts or practices that are
9 “unlawful, unfair, or fraudulent” within the meaning of the statute.

10 240. USC’s practices were and are unlawful, including but not limited to, by violating
11 the Consumer Legal Remedies Act, the False Advertising Law, and the Unruh Civil Rights Act,
12 as set forth above.

13 241. USC’s practices were and are unfair, including but not limited to:

14 a. Representing to prospective students that the online MSW program is
15 fundamentally the same as the in-person program, when in reality, it is different and
16 inferior in many material respects as described herein;

17 b. Using recruiters—who engage in oppressive, badgering communication
18 practices when seeking to recruit prospective students—to maximize enrollment in
19 USC’s online MSW program, while misrepresenting their affiliation with USC and
20 concealing their affiliation with 2U, a for-profit entity;

21 c. Using 2U “placement specialists”—who represent themselves as USC
22 employees, do not disclose their affiliation with 2U, and, on information and belief, do
23 not have the same level of expertise in the California job markets as “in-house” USC
24 career services staff—to find internship placements and provide career counseling for
25 online MSW program students;

26 d. Targeting students based on their race, color, ancestry, national origin,
27 and/or veteran status for an inferior and deceptively advertised program;

1 e. Providing recruiters with quotas for enrolling students and rewarding 2U
2 financially for recruiting and enrolling more and more students in violation of the public
3 policy against incentive compensation for recruiting students to enroll in institutions of
4 higher education—a policy embodied in 20 U.S.C. § 1094(a)(20), 34 C.F.R. § 668.72,
5 and numerous other state and federal statutes and regulations; and

6 f. Charging students in the online MSW program the *same* high tuition as
7 students in the in-person MSW program on the basis of the representation that the
8 programs were the *same* when in fact they were not, and USC knew they were not.

9 242. USC’s conduct, as described throughout this complaint, violated and continues to
10 violate public policy, including as described in the statutes and regulations cited above, and
11 caused harm to Plaintiffs and proposed Class Members that outweighs any benefit to consumers
12 or competition, and is also immoral, unethical, oppressive, unscrupulous, and substantially
13 injurious to consumers.

14 243. USC’s acts or practices were and are fraudulent. USC’s descriptions of its online
15 MSW program as the same as its on-campus MSW program were and are likely to deceive
16 members of the public and did in fact deceive Plaintiffs with the result that Class Members,
17 including Plaintiffs, paid and pay a premium for a program that is not what USC advertises it to
18 be.

19 244. Plaintiffs and Class Members have lost money or property as a result of USC’s
20 unlawful, unfair and fraudulent business practices or acts and are therefore entitled to relief
21 available under the UCL.

22 245. Plaintiffs are entitled to a public injunction under this statute, pursuant to
23 Business and Professions Code § 17203, enjoining future unlawful, unfair, and deceptive
24 conduct by USC that fails to portray the true nature of USC’s online MSW program—that is,
25 conduct that fails to disclose that the online MSW program is *not* the same as USC’s in-person
26 MSW program, and is *not* the same USC educational experience that students expect to pay for.
27 The conduct to be enjoined includes (i) failing to provide an online MSW program with faculty,
28 staff, curriculum, student services, and all other aspects of this graduate program that are

1 equivalent to the in-person MSW program while representing that USC’s online MSW program
2 is the same in all respects as USC’s in-person MSW program; (ii) advertising USC’s online
3 MSW program to future prospective students as a “USC” graduate degree program and not a 2U
4 program; (iii) advertising USC’s online MSW program as the programmatic equivalent of USC’s
5 in-person MSW program, or otherwise relying on any statements regarding the content or quality
6 of the in-person MSW program to sell the online MSW program; (iv) directing or otherwise
7 permitting 2U employees to misrepresent themselves as USC employees; (v) engaging in or
8 permitting 2U employees to engage in on USC’s behalf any recruitment tactics that target
9 prospective students based on their race, color, national origin, ancestry, or veteran status; and
10 (vi) engaging in or permitting 2U employees to engage in on USC’s behalf any recruitment
11 tactics that rely on misrepresentations and “hard sell” techniques.

12 246. Plaintiffs and Class Members are entitled to restitution under this section in the
13 amount of the difference between what they paid in tuition and what a reasonable consumer
14 would pay for a program accurately advertised.

15 **PRAYER FOR RELIEF**

16 WHEREFORE, Plaintiffs, on behalf of themselves and all others similarly situated,
17 respectfully pray for relief against Defendant as follows:

- 18 1. For an order certifying this action as a class action, or, in the alternative, for an
19 order certifying issues for class treatment pursuant to Cal. Rule of Court 3.765(b);
- 20 2. For an order appointing Plaintiffs as Class Representatives and appointing
21 Plaintiffs’ counsel as Class Counsel;
- 22 3. For all actual, incidental, and consequential damages and all other available forms
23 of recovery in an amount to be proven at trial, including compensatory damages, punitive
24 damages, statutory damages, restitution, treble damages, and any additional penalties and interest
25 that may apply;
- 26 4. For a public injunction that permanently enjoins USC and its directors, officers,
27 agents, employees, and other representatives from engaging in the conduct described herein,
28 including (i) failing to provide an online MSW program with faculty, staff, curriculum, student

1 services, and all other aspects of this graduate program that are equivalent to the in-person MSW
2 program while representing that USC’s online MSW program is the same in all respects as
3 USC’s in-person MSW program; (ii) advertising USC’s online MSW program to future
4 prospective students as a “USC” graduate degree program and not a 2U program; (iii) advertising
5 USC’s online MSW program as the programmatic equivalent of USC’s in-person MSW
6 program, or otherwise relying on any statements regarding the content or quality of the in-person
7 MSW program to sell the online MSW program; (iv) directing or otherwise permitting 2U
8 employees to misrepresent themselves as USC employees; (v) engaging in or permitting 2U
9 employees to engage in on USC’s behalf any recruitment tactics that target prospective students
10 based on their race, color, national origin, ancestry, or veteran status; (vi) engaging in or
11 permitting 2U employees to engage in on USC’s behalf any recruitment tactics that rely on
12 misrepresentations and “hard sell” techniques; and that directs USC to prevent additional
13 instances of such conduct or similar conduct from occurring in the future;

14 5. For all reasonable costs, expenses, and attorneys’ fees incurred by Plaintiffs
15 pursuant to Civil Code §§ 52(a), 1780 and/or C.C.P. § 1021.5;

16 6. For such further relief that the Court may deem just and proper.

17
18 DATED: September 13, 2023

19
20 By: /s/ Eve H. Cervantez
Eve H. Cervantez

21
22 Eileen M. Connor
Rebecca C. Ellis
23 **PROJECT ON PREDATORY STUDENT
LENDING**

24
25 Eve H. Cervantez
Danielle E. Leonard
Corinne F. Johnson
Derin McLeod
26 **ALTSHULER BERZON LLP**

27 *Attorneys for Plaintiffs and the Proposed Class*
28