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SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION, UNION COUNTY
DOCKET NO.: ___-

MATTHEW J. PLATKIN, Acting Attorney
General of the State of New Jersey; and CARI
FAIS, Acting Director of the New Jersey Division
of Consumer Affairs,

Plaintiffs,

v.

CAPRI CORPORATE MANAGEMENT, INC.,
a/k/a CAPRI INSTITUTE and CAPRI
INSTITUTE OF HAIR DESIGN; CAPRI
TRAINING CENTERS, INC., a/k/a CAPRI
INSTITUTE and CAPRI INSTITUTE OF HAIR
DESIGN; LORELEI K. MUENSTER, individually
and as president, owner, officer, director, founder,
member, manager, employee, servant, agent,
representative and/or independent contractor of
CAPRI CORPORATE MANAGEMENT, INC.,
a/k/a CAPRI INSTITUTE and CAPRI
INSTITUTE OF HAIR DESIGN and/or CAPRI
TRAINING CENTERS, INC., a/k/a CAPRI
INSTITUTE and CAPRI INSTITUTE OF HAIR
DESIGN; JANE AND JOHN DOES 1-20,
individually and as owners, officers, directors,
shareholders, founders, members, managers,
employees, servants, agents, representatives and/or
independent contractors of CAPRI CORPORATE
MANAGEMENT, INC., a/k/a CAPRI
INSTITUTE and CAPRI INSTITUTE OF HAIR

Civil Action

COMPLAINT

DESIGN and/or CAPRI TRAINING CENTERS, INC., a/k/a CAPRI INSTITUTE and CAPRI INSTITUTE OF HAIR DESIGN; and XYZ CORPORATIONS 1-20,

Defendants.

Plaintiffs Matthew J. Platkin, Acting Attorney General of the State of New Jersey (“Attorney General”), with offices located at 124 Halsey Street, Fifth Floor, Newark, New Jersey, and Cari Fais, Acting Director of the New Jersey Division of Consumer Affairs (“Director”), (collectively “Plaintiffs”) with offices located at 124 Halsey Street, Seventh Floor, Newark, New Jersey, by way of this Complaint state:

PRELIMINARY STATEMENT

1. The Attorney General and the Director commence this action under the New Jersey Consumer Fraud Act (“CFA”), N.J.S.A. 56:8-1 to -227 and the regulations promulgated thereunder, specifically the Regulations Governing General Advertising, N.J.A.C. 13:45A-9.1 to -9.8 (“Advertising Regulations”) against Capri Corporate Management, Inc., a/k/a Capri Institute and Capri Institute of Hair Design, and Capri Training Centers, Inc., a/k/a Capri Institute and Capri Institute of Hair Design (collectively, “Capri”) and Lorelei K. Muenster (collectively with Capri, “Defendants”) to address myriad unconscionable commercial practices, deceptive conduct and misrepresentations in the advertisement and sale of cosmetology and cosmetology-related educational services to consumers in New Jersey.

2. Capri was founded as a cosmetology school in 1961 by Helmet E. Muenster and

has operated through a number of different entities since its founding.

3. Until December 2021, Defendants operated four campuses in New Jersey for consumers attending Capri's cosmetology and cosmetology-related training programs, located at: 1595 Main Avenue, Clifton, New Jersey 07011 ("Clifton Campus"); 660 N. Michigan Avenue, Kenilworth, New Jersey 07033 ("Kenilworth Campus"); 615 Winters Avenue, Paramus, New Jersey 07652 ("Paramus Campus"); and 268 Brick Boulevard, Brick, New Jersey 08723 ("Brick Campus").

4. At all relevant times, all four Capri schools have been, and remain, licensed by the New Jersey Board of Cosmetology and Hairstyling ("Board") to operate in New Jersey. The Board licenses cosmetology and hairstyling schools in New Jersey and issues licenses to students who meet the Board's requirements for licensure.

5. At all relevant times, Capri has listed the Helmut E. Muenster Trust A, Anne E. Muenster, Trustee, as the principal owner of Capri on its biennial Application for Renewal of a School License with the Board.

6. In order for students to obtain licenses, the Board requires students to receive a certain number of clinical or practical hours. See N.J.A.C. 13:28-6.29 to -36. The Board also has specific requirements for schools that operate clinics where members of the public consent to allow students to perform services on them. See N.J.A.C. 13:28-6.27.

7. On December 1, 2021, with no advance warning to its roughly 250 enrolled students or the Board, Capri announced that it was shutting down all four of its New Jersey campuses effective December 3, 2021.

8. During the following weeks, Defendants failed to timely provide students with

official transcripts, failed to answer and/or respond to students' questions about the closure, and failed to provide refunds to students, even those who had already paid for their education in full before starting the program.

9. As a result of the abrupt closure, Capri's students, several of whom were on the verge of completing their program and applying for licensure, were left with no information or recourse, and were unable to complete their education or applications for licensure.

10. Furthermore, without their records, such as transcripts and updated and accurate attendance reports, students were unable to transfer to another institution to continue their education.

11. The Division of Consumer Affairs ("Division") received numerous complaints from students following Capri's abrupt closure, which prompted an investigation by the Division.

12. The Division's investigation revealed several troubling business practices by Defendants, including, but not limited to, their:

- a. Systematic and continuing failure to provide students with Board-mandated books and supplies that were included in the cost of tuition;
- b. Failure to provide prior written notice to students or the Board of Capri's closure;
- c. Failure to provide refunds or official transcripts to students after Capri announced its closure;
- d. Failure to maintain its telephone lines and answer and/or respond to students' questions about the closure;
- e. Reopening some campuses without reopening any of the clinics attached

thereto, thereby preventing students from obtaining the clinical hours required to obtain a license from the Board;

- f. Failure to inform students before they returned to Capri that they would have to pay out of pocket for tuition that was no longer covered by federal financial aid even though Capri lost the funding as a result of its own substandard business practices;
- g. Failure to provide timely and accurate records to the Board regarding the number of hours students had completed;
- h. Failure to properly maintain the facilities at the Brick and Kenilworth campuses; and
- i. Failure to refund students who had overpaid on their accounts.

13. At all relevant times, Lorelei K. Muenster, daughter of Helmut E. Muenster and Anne E. Muenster, has been Capri's president and had significant involvement with the day-to-day operations and management of Capri, including the business practices alleged above. These unconscionable and deceptive practices constitute multiple violations of the CFA and the Advertising Regulations. Therefore, through this action, Plaintiffs seek to permanently enjoin Defendants' unconscionable and deceptive business practices and to recover consumer restitution, statutory civil penalties and other equitable relief.

PARTIES AND JURISDICTION

14. The Attorney General is charged with enforcing the CFA and the regulations promulgated thereunder, including the Advertising Regulations. See N.J.S.A. 52:17B-5.7. The Director is charged with administering the CFA and the Advertising Regulations on behalf of the

Attorney General. See N.J.S.A. 52:17B-120 to -124.

15. By this action, Plaintiffs seek restitution on behalf of defrauded consumers, civil penalties, injunctive relief, attorneys' fees and costs and all other relief available for violations of the CFA and the Advertising Regulations. Plaintiffs bring this action pursuant to their authority under the CFA, specifically, N.J.S.A. 56:8-8, 56:8-11, 56:8-13 and 56:8-19.

16. Venue is proper in Union County, pursuant to R. 4:3-2, because it is a county in which the cause of action against Defendants arose.

17. Capri Corporate Management, Inc. is a corporation established in the State of New Jersey ("New Jersey") on March 31, 1991. At all relevant times, Capri Corporate Management, Inc. maintained a registered office location at 615 Winters Avenue, Paramus, New Jersey 07652.

18. Capri Corporate Management, Inc.'s registered agent is Anne E. Muenster, with a mailing address of 615 Winters Avenue, Paramus, New Jersey 07652. Upon information and belief, Anne E. Muenster died in April 2022. Despite Anne E. Muenster's death, the registered agent for Capri Corporate Management, Inc., has not been updated with the New Jersey Division of Revenue and Enterprise Services as of the filing of the Complaint.

19. Capri Training Centers, Inc. is a corporation established in New Jersey on May 31, 1991. At all relevant times, Capri Training Centers, Inc. maintained a registered office location at 615 Winters Avenue, Paramus, New Jersey 07652.

20. Capri Training Centers, Inc.'s registered agent is Anne E. Muenster, with a mailing address of 615 Winters Avenue, Paramus, New Jersey 07652. Upon information and belief, Anne E. Muenster died in April 2022. Despite Anne E. Muenster's death, the registered agent for Capri Training Centers, Inc., has not been updated with the New Jersey Division of Revenue and

Enterprise Services as of the filing of the Complaint.

21. At all relevant times, Lorelei K. Muenster has been the president, and an owner, officer, director, founder, member, manager, employee, servant, agent, representative and/or independent contractor of Capri and has controlled, directed and/or participated in the day-to-day operations and management of Capri. At all relevant times, Lorelei K. Muenster maintained a business address of 615 Winters Avenue, Paramus, New Jersey 07652 and a residence at 125 Country Lane, Clifton, New Jersey 07013.

22. Defendants also conduct business in New Jersey under the names “Capri Institute” and “Capri Institute of Hair Design”.

23. John and Jane Does 1 through 20 are fictitious individuals meant to represent the owners, officers, directors, shareholders, founders, members, managers, employees, servants, agents, representatives and/or independent contractors of Capri who have been involved in the conduct that gives rise to this Complaint, but are heretofore unknown to Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Complaint to include them.

24. XYZ Corporations 1 through 20 are fictitious corporations meant to represent any additional business entities who have been involved in the conduct that gives rise to the Complaint, but are heretofore unknown to Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Complaint to include them.

GENERAL ALLEGATIONS

25. Since at least May 31, 1991, Capri has engaged in the advertisement, offering for sale and sale of cosmetology and cosmetology-related training programs in New Jersey.

26. At all relevant times, Defendants have advertised Capri’s training programs on the

following internet address: <https://capriinstitute.com/> (“Capri Website”). The Capri Website is currently active.

A. Defendants Closed Abruptly, Haphazardly Re-Opened Only Certain Campuses and Facilities and Misrepresented Their Operating Status to the Public

27. On December 1, 2021, teachers and staff at Capri’s locations orally advised students that Capri was shutting down all four campuses due to the COVID-19 pandemic for 30 days, beginning December 3, 2021 – i.e., on less than 48 hours’ notice.

28. At least one student stated that Capri staff pressured students to sign leave-of-absence forms when Capri announced its closure. Capri’s staff threatened to count any and all hours missed during Capri’s closure as unexcused absences if students refused to sign the leave-of-absence forms. The Capri enrollment agreement required additional tuition payments from students to make up for unexcused absences, so many students signed the leave-of-absence forms to avoid a financial penalty from Capri.

29. In complaints to the Division and multiple media reports, students expressed shock and outrage over Capri’s abrupt closure.

30. Initially, during the period of closure, Defendants refused to provide students with their official transcripts; did not respond to students’ questions about the closing; and refused to provide refunds to students, even to those who paid in full or almost in-full before starting the program. These actions made it difficult, or even impossible, for students to transfer to another cosmetology school.

31. Following Capri’s December 3, 2021 closure, the main telephone number listed on the Capri Website, 1-800-BE-CAPRI, was not in service. As of the filing of this Complaint, the number is still listed on the Capri Website, but is not in service.

32. On December 6, 2021, three days after the closure, the Capri Website advertised the following: “Register Now for JANUARY 3rd START CLASS!” and “Open House. ALL CAMPUSES. JANUARY 11th.”

33. As of December 8, 2021, a sign was posted at the Brick Campus, which said: “CAPRI INSTITUTE WILL BE TEMPORARILY CLOSED FOR 30 DAYS WE APOLOGIZE FOR THE INCONVENIENCE THANK YOU” [sic].

34. Prior to Capri’s closure, all four clinics attached to each campus, where students could earn clinical hours by practicing on actual clients, were open.

35. On January 17, 2022, Capri reopened the Paramus Campus, but failed to reopen the attached clinic.

36. On February 14, 2022, Capri reopened the Clifton Campus, but failed to reopen the attached clinic.

37. On March 2, 2022, Capri reopened the Kenilworth Campus, but failed to reopen the attached clinic.

38. In March 2022, the Capri Website advertised the following: “Register Now for APRIL 4th START CLASS!” and “Open House. MARCH 29th CLIFTON AND PARAMUS CAMPUSES - 6PM TO 8PM. KENILWORTH AND BRICK CAMPUSES - 1PM TO 5PM.”

39. As of the filing of this Complaint, the Brick Campus remains closed.

B. Defendants Failed to Maintain Their Buildings, Provide Books and Supplies to Students and Timely and Accurately Report Student Hours in Violation of Rules and Regulations of the Board

40. The Board administers, coordinates and enforces the Cosmetology and Hairstyling Act, N.J.S.A. 46:5B-1 to -41 (“Cosmetology Act”) and regulations promulgated pursuant thereto,

N.J.A.C. 13:28-1.1 to -6.8 (“Cosmetology Regulations”). The Board is responsible for, among other things, ensuring that registered students at cosmetology and hairstyling schools receive thorough and reliable instruction, and that licensees maintain safe and sanitary conditions.

41. Prior to its closure, Defendants failed to maintain the facilities at the Brick Campus in accordance with the Cosmetology Act and Cosmetology Regulations. Violations at the Brick Campus included, but were not limited to, mold infestation, nonworking toilets, a leaky roof, and collapsed ceiling panels.

42. Prior to its closure, Defendants failed to maintain the facilities at the Kenilworth Campus in accordance with the Cosmetology Act and Cosmetology Regulations. Violations at the Kenilworth Campus included, but were not limited to, nonworking toilets and salon basins. The women’s toilet and salon basins continued to be unusable at the Kenilworth Campus even after it reopened on March 2, 2022.

43. Defendants failed to provide students with Board-mandated books and supplies that were included in the cost of tuition.

44. Defendants failed to provide timely records to the Board regarding the number of hours Capri students completed.

45. Defendants failed to provide accurate records to the Board regarding the number of hours Capri students completed.

46. Defendants failed to open the attached clinics when they reopened the Paramus Campus, the Clifton Campus, and the Kenilworth Campus, leaving students without the ability to obtain the necessary clinical hours to become licensed by the Board.

C. Defendants' Substandard Business Practices Financially Harmed Students

47. Many of Capri's students rely on federal financial aid, also known as Title IV funds, to pay for their education.

48. Defendants failed to timely provide annual audited financial statements for the fiscal years ending June 30, 2020 and June 30, 2021 to its accreditor, the National Accrediting Commission of Career Arts and Sciences ("NACCAS").

49. On October 15, 2021, the Federal Department of Education ("ED") placed Capri on the Heighted Cash Monitoring Status 2 ("HCM2") method because Capri failed to provide annual audited financial statements for the fiscal year ending June 30, 2020 to NACCAS. Schools placed on the HCM2 method no longer immediately receive funds from ED upon requesting a disbursement from ED. Instead, schools placed on the HCM2 method must make disbursements to students from their own institutional funds and submit a reimbursement for those funds to ED.

50. Despite knowing that being placed on the HCM2 method meant that Capri would be in a difficult position financially, Defendants still did not provide the financial statements to NACCAS.

51. After Capri was placed on the HCM2 method, Defendants knew or should have known that Capri would not be financially able to continue operations. Despite the fact that Defendants knew or should have known that Capri would not be able to continue operations, Defendants continued to collect payments from or on behalf of students in November 2021.

52. On January 20, 2022, due to Capri's abrupt closure, failure to respond to student inquires regarding the closure and continued failure to provide audited financial statements to NACCAS, ED revoked Capri's eligibility to participate in Title IV funding retroactively to

December 1, 2021.

53. Despite losing its eligibility to participate in Title IV funding, as of the filing of this Complaint, the Capri Website still states that “CAPRI participates with the U.S. Department of Education for Federal Student Assistance” and includes various types of Title IV funding as being available for students.

54. Despite the representations on its website, after three of Capri’s campuses reopened, Defendants advised students that they would have to pay out of pocket for tuition that was no longer covered by undisbursed Title IV funding because Capri lost its Title IV funding from ED.

55. At least two students who returned to Capri after it reopened and had previously been approved for Title IV funds were told by Capri employees, after they resumed their studies, that Capri would withhold one hour of education to prevent the students from completing their program and obtaining a license with the Board, unless they paid out of pocket for the undisbursed Title IV funds. At least one student paid Capri out of pocket in lieu of the undisbursed Title IV funds so that she could graduate.

56. Defendants failed to timely provide 2021 Federal tax forms to students.

57. Defendants failed to refund students who had overpaid on their accounts.

58. During the period of closure, Defendants refused to provide refunds to students who paid out of pocket for tuition but were unable to complete their education because of the closure, some of whom paid in full or almost in-full for an education that they never received.

59. Even after Capri reopened, the refunds Defendants offered to students were woefully inadequate. For example, a Capri employee advised one student who was enrolled at the

Brick Campus, which remains closed as of the filing of this Complaint, that she would receive a refund of only around \$2,700.00 to \$2,800.00 of the \$8,781.00 her mother had paid to Capri, even though she was only provided 11% of the hours necessary to graduate before Defendants closed the Brick campus. Now, the student cannot complete her program at Capri, because the campus remains closed, and cannot complete her program at another school because the refund would not cover the cost of the tuition at a comparable school.

COUNT I

VIOLATION OF THE CFA BY DEFENDANTS (UNCONSCIONABLE COMMERCIAL PRACTICES AND DECEPTION)

60. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as though fully set forth herein.

61. The CFA, N.J.S.A. 56:8-2, prohibits:

The act, use or employment by any person of any unconscionable commercial practice, deception, fraud, false pretense, false promise, misrepresentation, or the knowing concealment, suppression, or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise....

62. The CFA defines “merchandise” as including “any objects, wares, goods, commodities, services or anything offered, directly or indirectly to the public for sale.” N.J.S.A. 56:8-1(c).

63. At all relevant times, Defendants have been engaged in the advertisement and sale of merchandise within the meaning of N.J.S.A. 56:8-1(c), specifically cosmetology and cosmetology-related training programs.

64. In the operation of their business, Defendants have engaged in the use of

unconscionable commercial practices and acts of deception.

65. Defendants have engaged in unconscionable commercial practices and deception, including, but not limited to, the following:

- a. Abruptly closing all Capri campuses in December 2021, with little notice to students;
- b. Refusing student requests for partial or full refunds;
- c. Refusing student requests for official transcripts;
- d. Refusing to address students' questions about the operating status of the school and the closure;
- e. Failing to inform students of the closure in writing;
- f. Failing to maintain a telephone line to address student inquiries;
- g. Failing to properly maintain the Brick Campus;
- h. Failing to properly maintain the Kenilworth Campus;
- i. Threatening students with a financial penalty if they refused to sign leave-of-absence forms when Capri closed in December 2021;
- j. Failing to timely provide 2021 Federal tax forms to students;
- k. Failing to refund students who had overpaid on their accounts;
- l. Requiring students to pay Capri for textbooks and supplies, and then failing to provide or to timely provide those textbooks and supplies to students;
- m. Continuing to accept payments from students and/or disburse Title IV funds when they knew or should have known that Capri would not continue operating;
- n. Failing to inform students that the clinics attached to the Paramus Campus, the Clifton Campus and the Kenilworth Campus were not reopening, so students would be unable to complete the clinical hours necessary to obtain their licenses from the Board;
- o. Failing to inform students that Capri intended to collect tuition payments

from students for any undisbursed Title IV funds as a result of Capri losing its eligibility to receive Title IV funds from ED when Capri reopened the Paramus Campus, the Clifton Campus and the Kenilworth Campus;

- p. Threatening to withhold credit hours from students unless students paid out of pocket in lieu of undisbursed Title IV funds;
- q. Violations of the Cosmetology Act and Cosmetology Regulations, including, but not limited to, the following:
 - i. Failing to timely report student hours to the Board, in violation of N.J.A.C. 13:28-6.15(d)(1);
 - ii. Failing to accurately report student hours to the Board, in violation of N.J.S.A. 45:5B-14(i);
 - iii. Failing to properly maintain its buildings, in violation of N.J.S.A. 45:5B-13(e) and N.J.A.C. 13:28-6.20(b)(31);
 - iv. Failing to reopen its clinics when it reopened three of its campuses, leaving students without the ability to obtain the clinical hours required to graduate or obtain licensure, in violation of N.J.A.C. 13:28-6.29 to -.36;
 - v. Failing to inform students that the clinics would not reopen when Defendants reopened three of its campuses, in violation of N.J.S.A. 45:5B-14(a);
 - vi. Failing to provide required books and equipment to students, in violation of N.J.A.C. 13:28-6.20(c) to -(g);
 - vii. Advertising on the Capri Website that classes would start on January 11, 2022 when all four campuses remained closed through January 11, 2022, in violation of N.J.S.A. 45:5B-14(a);
 - viii. Advertising an “Open House” on the Capri Website for January 3, 2022, when all four campuses remained closed past January 3, 2022, in violation of N.J.S.A. 45:5B-14(a);
 - ix. Advertising on the Capri Website that classes would start on April 4, 2022, when the Brick Campus was closed and in fact remains closed as of the filing of this Complaint, in violation of N.J.S.A. 45:5B-14(a); and

- x. Advertising an “Open House” on the Capri Website for March 29, 2022, at the Brick Campus, when the Brick Campus was closed and in fact remains closed as of the filing of this Complaint, in violation of N.J.S.A. 45:5B-14(a).

66. Each unconscionable commercial practice and/or act of deception by Defendants constitute a separate violation under the CFA, N.J.S.A. 56:8-2.

COUNT II

VIOLATION OF THE CFA BY DEFENDANTS (FALSE PROMISES AND MISREPRESENTATIONS)

67. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as if fully set forth herein.

68. In the operation of their business, Defendants made false promises and misrepresentations including, but not limited to, the following:

- a. Representing via a sign posted at the Brick Campus that the school would reopen in 30 days, when the Brick Campus never reopened and remains closed;
- b. Representing to students orally that Capri would reopen in 30 days, when three of the campuses opened more than 30 days after the closing and the fourth campus remains closed;
- c. Representing on the Capri Website that classes would start on January 11, 2022, when all four campuses remained closed through January 11, 2022;
- d. Representing on the Capri Website that there would be an “Open House” on January 3, 2022, when all four campuses remained closed through January 3, 2022;
- e. Representing on the Capri Website that classes would start on April 4, 2022, when the Brick Campus remained closed as of the filing of this Complaint;
- f. Representing on the Capri Website that there would be an “Open House” on March 29, 2022, at the Brick Campus, when the Brick Campus remained closed as of the filing of this Complaint; and

- g. Representing on the Capri Website that federal student assistance was available to students after Capri lost its eligibility to obtain federal funding from ED.

69. Each false promise and/or misrepresentation constitutes a separate violation under the CFA, N.J.S.A. 56:8-2.

COUNT III

VIOLATION OF THE ADVERTISING REGULATIONS BY DEFENDANTS

70. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as if set forth herein.

71. The Advertising Regulations, N.J.A.C. 13:45A-9.1 to -9.8, address, among other issues, general advertising practices.

72. Specifically, the Advertising Regulations governing general advertising practices provide, in relevant part:

- (a) Without limiting the application of N.J.S.A. 56:8-1 et seq., the following practices shall be unlawful with respect to all advertisements:

...

- 9. The making of false or misleading representations of facts concerning the reasons for, existence or amounts of price reductions, the nature of an offering or the quantity of advertised merchandise available for sale.

[N.J.A.C. 13:45A-9.2(a)9.]

73. Defendants violated the Advertising Regulations by engaging in certain conduct including, but not limited to:

- a. Advertising via a sign posted at the Brick Campus that the school would reopen in 30 days, when the Brick Campus never reopened and remains closed;

- b. Advertising on the Capri Website that classes would start on January 11, 2022 when all four campuses remained closed through January 11, 2022;
- c. Advertising on the Capri Website that there would be an “Open House” on January 3, 2022, when all four campuses remained closed through January 3, 2022;
- d. Advertising on the Capri Website that classes would start on April 4, 2022, when the Brick Campus remained closed through the filing of this Complaint;
- e. Advertising on the Capri Website that there would be an “Open House” on March 29, 2022 at the Brick Campus, when the Brick Campus remained closed through the filing of this Complaint; and
- f. Advertising on the Capri Website that federal student assistance was available to students after Capri lost its eligibility to obtain federal funding from ED.

74. Defendants’ conduct constitutes multiple violations of the Advertising Regulations, specifically N.J.A.C. 13:45A-9.2(a)9, each of which constitutes a per se violation of the CFA.

COUNT IV

VIOLATIONS OF THE CFA AND THE ADVERTISING REGULATIONS BY LORELEI K. MUENSTER

75. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as if set forth herein.

76. At all relevant times, Lorelei K. Muenster has been the president and an owner, member, trustee, manager, director and/or an authorized representative of Capri and has controlled, directed and/or participated in the management and operation of Capri, including the conduct alleged in this Complaint.

77. At all relevant times, Lorelei K. Muenster worked in the offices of Capri, oversaw the operation of Capri, was responsible for the performance of Capri and held herself out as “President” of Capri.

78. Lorelei K. Muenster, as president of Capri, directed the December 2021 closure of Capri.

79. Lorelei K. Muenster directed Capri staff to verbally inform students of Capri’s closure on December 1, 2021 and directed Capri staff to tell students that the closure was due to the COVID pandemic and would be for 30 days.

80. Lorelei K. Muenster directed Capri’s responses to the Division’s investigation and ED’s January 20, 2022 letter withdrawing all federal funding from Capri.

81. At all relevant times, Lorelei K. Muenster had control over the information presented on the Capri Website.

82. Lorelei K. Muenster directed, participated in and/or financially benefited from the violations alleged in this Complaint and her conduct makes her personally liable for the violations of the CFA and/or the Advertising Regulations committed by Capri.

PRAYER FOR RELIEF

WHEREFORE, based upon the foregoing allegations, Plaintiffs respectfully request that the Court enter judgment against the Defendants:

- a. Finding that the acts and practices of Defendants constitute multiple violations of the CFA, N.J.S.A. 56:8-1 to -227, and/or the Advertising Regulations, N.J.A.C. 13:45A-9.1 to -9.8;
- b. Finding Lorelei K. Muenster personally liable for Capri’s violations of the CFA, N.J.S.A. 56:8-1 to -227, and the Advertising Regulations, N.J.A.C. 13:45A-9.1 to -9.8;

- c. Permanently enjoining Defendants and their owners, officers, directors, shareholders, founders, members, managers, agents, servants, employees, representatives and independent contractors and all other persons or entities directly under Defendants' control, from engaging in, continuing to engage in or doing any acts or practices in violation of the CFA, N.J.S.A. 56:8-1 to -227, and/or the Advertising Regulations, N.J.A.C. 13:45A-9.1 to -9.8, including, but not limited to, the acts and practices alleged in this Complaint, as authorized by the CFA, N.J.S.A. 56:8-8;
- d. Cancelling Capri's certificates of formation in New Jersey, as authorized by the CFA, N.J.S.A. 56:8-8;
- e. Directing Defendants, jointly and severally, to restore any affected person, whether or not named in this Complaint, any money or real or personal property acquired by means of any alleged practice herein to be unlawful, as authorized by the CFA, N.J.S.A. 56:8-8;
- f. Directing Defendants, jointly and severally, to pay the maximum statutory civil penalties for each and every violation of the CFA, in accordance with N.J.S.A. 56:8-13;
- g. Directing Defendants, jointly and severally, to pay costs and fees, including attorneys' fees, for the use of the State of New Jersey, as authorized by the CFA, N.J.S.A. 56:8-11 and N.J.S.A. 56:8-19; and
- h. Granting such other relief as the interests of justice may require.

MATTHEW J. PLATKIN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: /s/ Renee Cadmus
Renee Cadmus
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: June 3, 2022
Newark, New Jersey

RULE 4:5-1 CERTIFICATION

I certify, to the best of my information and belief, that the matter and controversy in this action involving the aforementioned violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 to -227, and the Advertising Regulations, N.J.A.C. 13:45A-9.1 to -9.8, is not the subject of any other action pending in any other court of this State. I further certify, to the best of my information and belief, that the matter in controversy in this action is not the subject of a pending arbitration proceeding in this State, nor is any other action or arbitration proceeding contemplated. I certify that there is no other party who should be joined in this action at this time.

MATTHEW J. PLATKIN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: /s/ Renee Cadmus
Renee Cadmus
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: June 3, 2022
Newark, New Jersey

RULE 1:38-7(c) CERTIFICATION OF COMPLIANCE

I certify that confidential personal identifiers have been redacted from documents now submitted to the court, and will be redacted from all documents submitted in the future in accordance with Rule 1:38-7(b).

MATTHEW J. PLATKIN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: /s/ Renee Cadmus
Renee Cadmus
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: June 3, 2022
Newark, New Jersey

DESIGNATION OF TRIAL COUNSEL

Pursuant to Rule 4:25-4, Deputy Attorney General Renee Cadmus is hereby designated as trial counsel on behalf of Plaintiffs in this action.

MATTHEW J. PLATKIN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: /s/ Renee Cadmus
Renee Cadmus
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: June 3, 2022
Newark, New Jersey