

1.2 The injunctive provisions of this Agreed Final Judgment and Permanent Injunction ("Judgment") are entered pursuant to the TEXAS DECEPTIVE TRADE PRACTICES--CONSUMER PROTECTION ACT, TEX. BUS. & COM. CODE § 17.41 *et seq.* (Vernon 1987 and Vernon Supp. 2006) ("DTPA"), TEX. BUS. & COM. CODE § 17.08 (Vernon 1987 and Vernon Supp. 2006) and relating to the sale of goods or services and are applicable to State of Texas as Plaintiff, and Advent Harvest Academy Corp., d/b/a Sunrise Private High School, Longhorn Private High School and Bluebonnet Private High School, Teri Lynn Tout-Dennis, Individually and as Director of Education for all the above-mentioned schools, and Mike Martin, Individually and as Executive School Director, and any other name under which they do business, their officers, directors, employees, agents, servants, representatives, successors and assigns, and all persons, corporations, partnerships, and other entities acting in concert or participating with any of them who have actual or constructive knowledge of this Judgment ("Defendants").

II. FACTUAL BACKGROUND

2.1 Defendant Advent Harvest Academy Corp. is a corporation with its principal office in Tarrant County, Texas. Defendants Teri Tout and Mike Martin reside in Tarrant County, Texas. Defendants Teri Tout and Mike Martin owned and operated businesses which sold online high school diplomas to individuals for money. In the course of marketing their services, Defendants made representations that the educational services and diplomas were sanctioned and authorized by the State of Texas, when in fact no such sanctioning was offered or rendered. The State alleges that Defendants engaged in the following acts and practices:

- a. Representing to persons in the State of Texas that upon completing Defendants' on-line examination that consumers will receive a valid high school diploma;
- b. Representing to persons in the State of Texas that they are authorized to issue a high

school diploma on the basis of an on-line examination;

c. Representing to persons in the State of Texas that they are authorized to administer any type of high school equivalency examination in Texas;

d. Advertising or otherwise representing to persons in the State of Texas that they can provide a person with a high school diploma in any manner or in any form;

e. Advertising or otherwise using the acronym G.E.D. in the State of Texas to mean or represent anything other than "General Educational Development"; a high school diploma, or for the purpose of administering a high school equivalency test to that person or to any other person;

f. Receiving, soliciting, or otherwise accepting money or compensation in any manner or form from any person in Texas for the purpose of providing that person or any other person with a high school diploma, or for the purpose of administering a high school equivalency test to that person or to any other person; and

g. Using the Seal of the State of Texas without being authorized to do so.

III. STIPULATIONS

3.1 By their duly authorized signatures, the parties stipulated to the Court the following: that they understand the terms of this Judgment; that they agree to the terms of this Judgment; that they have waived all rights of appeal from this Judgment; that they actively participated in the negotiations leading up to this Judgment and are aware of the duties placed upon them by it and are desirous and capable of carrying out those duties in full; that they acknowledge receipt of copies of this Judgment and have full and actual notice of the terms of this Judgment; that the issuance and service of a writ of injunction are waived; that the terms of this Judgment are sufficiently detailed and specific to be enforceable by the Court in conformance with TEX.R.CIV.P. 683; that this Judgment represents a compromise and settlement of all matters arising out of facts alleged by the

State of Texas in Cause No. 2010-4117. The parties submit to the jurisdiction of the Court and do not contest the entry of this Judgment.

3.2 Defendants shall not be prohibited from operating a school so long as the manner in which the school is operated is in full compliance with §§25.085 and 25.086 of the Texas Education Code and also provides a means to verify the identities of their students.

IV. FINDINGS

4.1 Having read the pleadings and having heard and considered the evidence and argument of the parties and counsel, it appears to the Court that Defendants:

a. Committed violations of the Texas Deceptive Trade Practices Act by engaging in false, misleading, and deceptive acts and practices against consumers who purchased or offered to purchase diplomas from Defendants;

b. Committed violations of the provisions of Section 17.08 of the Texas Business and Commerce Code by using the State Seal for commercial purposes without authorization by the Secretary of State;

c. Represented to consumers that certain goods or services would be provided to them when in fact they were not, such as representing that the services provided by Defendants constituted a written curriculum that was conducted in a bona fide manner and would be taught to consumers.

d. Represented that the diplomas were issued with the authority of the State of Texas when they were not.

4.2 After considering the evidence received, the argument of counsel and noting the agreement of the parties as evidenced by their signatures on the attached Mediated Settlement Agreement, which is hereby incorporated herein, the Court finds and concludes that the Plaintiff will probably prevail on the trial of this cause in that it appears that Defendants were violating § 17.46(a)

and (b) of the Deceptive Trade Practices-Consumer Protection Act, TEX. BUS. & COM. CODE ANN. § 17.41 *et seq.* (“DTPA”) and §17.08 of the Texas Business and Commerce Code; that Defendants were using the State seal without legal authorization; that Defendants misrepresented the nature and quality of their services in violation of the provisions of the DTPA; and that such injury would have been irreparable because continued violations of the DTPA and Section 17.08 of the Texas and Business Commerce Code may well have caused many more consumers to lose their money by deception.

V. INJUNCTION

5.1 **IT IS THEREFORE ORDERED** that Defendants be, and they hereby are, permanently enjoined from engaging in the following acts or practices:

- (a) Transferring, concealing, destroying or removing from the jurisdiction of this Court any books, records, documents, invoices, or other written materials relating to Defendants’ business which are in Defendants’ possession, custody, or control except in response to further orders or subpoenas in this cause;
- (b) Representing to persons in the State of Texas that upon completing their school’s on-line examination that the persons will receive a valid high school diploma, unless the manner in which the school is operated is in full compliance with §§25.085 and 25.086 of the Texas Education Code;
- (c) Representing to persons in the State of Texas that they are authorized to issue a high school diploma on the basis of an on-line examination, unless the manner in which the school is operated is in full compliance with §§25.085 and 25.086 of the Texas Education Code;
- (d) Representing to persons in the State of Texas that they are authorized to administer

any type of high school equivalency examination in Texas, unless the manner in which the school is operated is in full compliance with §§25.085 and 25.086 of the Texas Education Code;

- (e) Advertising or otherwise representing to persons in the State of Texas that they can provide a person with a high school diploma in any manner or in any form, unless the manner in which the school is operated is in full compliance with §§25.085 and 25.086 of the Texas Education Code;
- (f) Advertising or otherwise using the acronym G.E.D. in the State of Texas;
- (g) Receiving, soliciting, or otherwise accepting money or compensation in any manner or form from any person in Texas for the purpose of providing that person or any other person with a high school diploma, or for the purpose of administering a high school equivalency test to that person or to any other person, unless the manner in which the school is operated is in full compliance with §§25.085 and 25.086 of the Texas Education Code;
- (h) Using the Seal of the State of Texas for commercial purposes without a license from the Secretary of State; without keeping records of such use; and without paying fees and royalties to the state; and
- (i) Representing, directly or by implication, that this Court, or the Office of the Texas Attorney General has approved any good or service sold or offered for sale by Defendants, or approved of any of Defendants' business practices.

5.2 **IT IS FURTHER ORDERED** that Defendants shall notify the Attorney General's Office of all future employment and business or commerce activities and, upon request, provide the Attorney General's Office with copies of all books and records associated with any such business or commerce activity.

5.3 **IT IS FURTHER ORDERED** that should Defendant Teri Tout (also referred to as Teri Lynn Tout Dennis) or Defendant Mike Martin ever work for any educational institution, he or she must provide said institution with a copy of this Agreed Judgment.

5.4 **IT IS FURTHER ORDERED** that, no bond being required on the part of the Plaintiff, the State of Texas, this Injunction shall issue and become effective immediately.

**VI.
CIVIL PENALTIES AND ATTORNEY'S FEES**

6.1 **IT IS FURTHER ORDERED** that the STATE OF TEXAS have and recover of and from Defendants civil penalties in the amount of \$15,000.00, as provided by TEX. BUS. & COM. CODE ANN. §17.47(c), which the Court finds are civil fines and penalties to and for a governmental unit and not for pecuniary compensation and which does not constitute an antecedent debt with respect to this litigation.

6.2 **IT IS FURTHER ORDERED** that the STATE OF TEXAS have and recover of and from Defendants the sum of \$25,000.00, the same being the STATE OF TEXAS's reasonable and necessary attorney's fees and expenses through this date, pursuant to TEX. GOVT. CODE §402.006(c).

6.3 **IT IS FURTHER ORDERED** that the total sum owed by Defendants, \$40,000, shall be due as follows and must be actually received by the Office of the Attorney General on or before the following due dates:

June 15, 2011	\$2,000.00
July 15, 2011	\$2,000.00
August 15, 2011	\$2,000.00
September 15, 2011	\$2,000.00
October 15, 2011	\$2,000.00
November 15, 2011	\$4,285.71
December 15, 2011	\$4,285.71
January 15, 2011	\$4,285.71
February 15, 2012	\$4,285.71
March 15, 2012	\$4,285.72

April 15, 2012	\$4,285.72
May 15, 2012	\$4,285.72

6.4 Defendants agree, and the Court orders, that the amounts set forth above shall be tendered by Defendants in the form of money orders or cashier's checks made payable to the State of Texas, bearing Attorney General No. 103186680. These payments shall be either hand-delivered or delivered in such manner as to reach the office on or before the due date, and shall be addressed to the undersigned attorney or his designee for the Office of the Attorney General, Consumer Protection and Public Health Division.

6.5 **IT IS FURTHER ORDERED** that if the State of Texas obtains evidence that either of Defendants is failing to comply with the injunctive provisions listed in paragraph 5.1 above, the State of Texas may reopen this Final Judgment for the sole purpose of allowing the State of Texas to modify the monetary liability of the Defendants. If the Court finds that either Defendant failed to comply with the injunctive provisions of paragraph 5.1, each Defendant agrees, and the Court orders, that he or she will pay a civil penalty to the State of Texas in the amount of \$500,000.00 per violation which the Court finds are civil fines and penalties to and for a governmental unit and not for pecuniary compensation and which does not constitute an antecedent debt with respect to this litigation. All other terms of this Final Judgment shall remain in full force and effect unless otherwise ordered by the Court; and provided further, that proceedings instituted under this Paragraph are in addition to, and not in lieu of, any other civil or criminal remedies available by law. Solely for the purposes of enforcing this Paragraph, Defendants waive any right to contest any of the allegations set forth in the Petition filed in this cause, and the entire amount of the judgment shall become immediately due and payable and subject to execution.

VII. GENERAL PROVISIONS

7.1 Nothing in this Judgment shall be construed as a waiver of any private rights, causes of action, or remedies of any person against the Defendants with respect to their practices described herein;

7.2 Defendants admit no wrongdoing and this Judgment does not constitute any evidence or admission of any kind regarding any issues set forth herein, nor does it acknowledge that Defendants have engaged in any unlawful activity, nor shall it be construed as evidence that Defendants have engaged in any methods, acts or practices declared to be unlawful under the Texas Business and Commerce Code or other law. The parties to this Judgment expressly understand and agree that this Judgment shall not be construed in any way as an admission on the part of the Defendants of any conduct or of any liability whatsoever to any party, except as provided in Paragraphs 4.1 and 4.2, above.

7.3 Jurisdiction is retained for the purpose of enabling any party to this Judgment to apply to the Court at any time for such further orders and directions as might be necessary or appropriate for the construction or carrying out of the injunctive provisions of this Judgment, or for the enforcement of and the punishment of violations of any provisions hereof.

7.4 If, after the date of this Judgment, the State, its Attorney General or any agency of the State charged with the administration of its consumer protection statutes, enacts or promulgates legislation, rules, or regulations with respect to the matters governed by this Judgment that conflict with any provision of this Judgment, including, specifically allowing, under certain conditions, that which is prohibited under this Judgment, or if the applicable law of the State shall otherwise change so as to conflict with any provision of this Judgment, the Attorney General shall not unreasonably withhold its consent to the modification of such provision to the extent necessary to eliminate such

conflict. Laws, rules, or regulations, or other change in State law, with respect to the matters governed by this Judgment, shall be deemed to "conflict" with a provision of this Judgment if Defendants cannot reasonably comply with both such law, rule, or regulation and an applicable provision of this Judgment. If Defendants believe that they cannot reasonably comply both with this Judgment and with applicable federal law, rules, or regulation, they may seek modification hereof.

7.5 Nothing herein precludes the State from enforcing the provisions of this Judgment, or from pursuing any law enforcement action with respect to the acts or practices of Defendants not covered by this Judgment or any acts or practices conducted after the date of this Judgment.

7.6 Nothing in this Judgment will be construed to limit the authority of the Attorney General to protect the interests of the State or the people of the State. Accordingly, nothing herein relieves Defendants of their continuing duty to comply with applicable laws of the State nor constitutes authorization by the State for Defendants to engage in acts and practices prohibited by such laws. This Judgment shall be governed by the laws of the State of Texas.

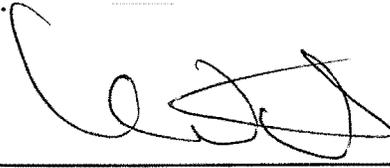
7.7 Nothing herein constitutes approval or acquiescence by the State of Defendants' past practices, current efforts to reform their practices, or any future practices which Defendants may adopt or consider adopting. The State's decision to settle this matter or to otherwise unilaterally limit current or future enforcement action does not constitute approval or imply authorization for any past, present or future business practice.

7.8 Defendants represent and warrant that they will implement the terms of this Judgment in good faith and will advise the State of any errors or omissions in the implementation discovered by them. Defendants acknowledge the State's reliance on the foregoing representations. Defendants acknowledge that no promises, representations or agreements have been made or entered into by the State other than what is contained in this Judgment.

7.9 Any court costs which may be assessed in this action, including any filing fees or other charges, shall be assessed against Defendants. No charges shall be assessed against the State.

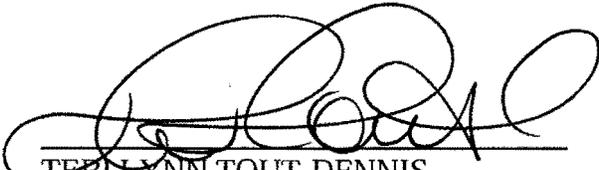
7.10 After signing by the Court, this agreement constitutes final judgment, and states the entire agreement between the parties respecting the subject matter stated herein. All relief not expressly granted herein is denied.

SIGNED this 2^d day of ^{June}~~May~~, 2011.



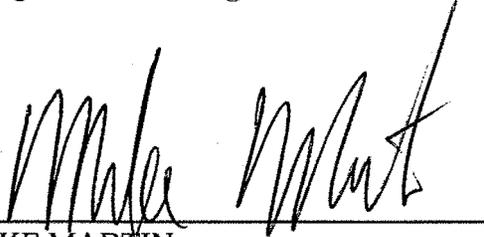
JUDGE PRESIDING

APPROVED AS TO FORM AND SUBSTANCE AND ENTRY REQUESTED:



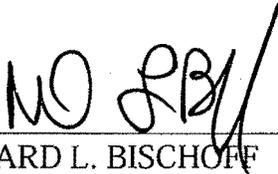
TERILYNN TOUT-DENNIS

Individually and as Director of Education for
Advent Harvest Academy Corp., d/b/a Sunrise Private High School,
Longhorn Private High School and Bluebonnet Private High School



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Individually and as Executive School Director for
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