

# Judge Grants Class-Action Status to Life Students' Lawsuit

NUMBER OF STUDENTS SUING SCHOOL COULD SWELL TO 2,000

Editorial Staff

On March 3, Fulton County Judge Diane Bessen gave class-action status to a suit filed by Yehuda Smolar and several other attorneys representing 470 former and current Life students. The suit alleges the school and its administrators, including founder and past president Dr. Sid Williams, failed to adequately ensure that the university would maintain accreditation of its chiropractic program, and charges the defendants with several violations, including breach of contract; fraudulently concealing information regarding Life's chiropractic program; violation of the Georgia RICO (Racketeer Influenced and Corrupt Organization) Act; negligence; and breach of fiduciary duty.<sup>1</sup>

Judge Bessen's ruling allows anyone who attended the school during its loss of chiropractic accreditation to join the lawsuit as a plaintiff. According to Smolar, as many as 1,500 additional students could join the suit, bringing the total number of plaintiffs to almost 2,000.

"This is an extremely important step because it validates everything I've said as to why these should be joined as a class action," Joseph Hoffman, a former Life professor and attorney representing the students, told the *Atlanta Journal-Constitution*.<sup>2</sup> "The sheer volume of students would absolutely clog the court system. The other thing is, they all have common damages."

"Careers have been disrupted, lives have been displaced and families have been uprooted," added Smolar, who is serving as lead counsel for the plaintiffs. "Even though they have temporarily regained their chiropractic accreditation, the damage has already been done."<sup>3</sup>

Life was granted a preliminary injunction by U.S. District Judge Charles Moyer Jr. in February, which reinstated the school's chiropractic accreditation until a resolution of a lawsuit between Life and the Council on Chiropractic Education (CCE) could be reached.

The CCE put Life's chiropractic program on probation in June 2001, and revoked the school's accreditation in June 2002 for failing to comply with the CCE's educational standards. Life immediately appealed that decision, but on Oct. 20, 2002, the appeal was rejected and the school's accreditation was nullified.

The attorneys representing the students are an aggregation of three Atlanta-based law firms - Anderson and Anderson; Kaplan and Seifter; and Smolar, Sakas and Goodhart, along with Dr. Hoffman. On Oct. 31, 2002, Hoffman and Kennesaw attorney Tommy Lee Maddox filed suit against the university, Sid Williams, and 14 past and present members of Life's board of trustees. More than 200 students had joined as co-plaintiffs in Hoffman's suit before the attorneys decided to consolidate their efforts and prosecute the case together.<sup>4</sup>

In addition to the Smolar suit, Life faces an onslaught of individual and class-action suits from

other litigants. According to court documents obtained by DC, 10 other lawsuits are pending presently against Life, Dr. Sid Williams and several members of Life's board of trustees. The suits have been filed in three separate courts in Cobb and Fulton counties. Three suits are seeking class-action status; the other seven were brought by 73 students in multi-plaintiff groups. It is expected that the students involved in some or all of these suits may soon join the Smolar suit.

In an interview with the *Marietta Daily Journal*, Smolar said it was too early to discuss the amount of monetary damages his clients would be seeking from the university. In December, however, Dr. Hoffman remarked that a successful suit against Life could result in a multimillion-dollar damage reward for the students.

"We are asking for a jury trial, but it is up to the jury to decide what to reward the plaintiffs," Hoffman said. "It will certainly be in the tens of millions of dollars, though."<sup>4</sup>

Based on information contained in the Smolar suit, Dr. Hoffman's comment on "tens of millions of dollars" may be a significant understatement. Should all 2,000 affected students sign on as co-plaintiffs, Life's potential liability would be enormous. The students are asking the court that the defendants pay:

1. the entire amount of tuition and fees paid by each student to Life;
2. punitive damages on the count of fraudulent concealment;
3. treble damages on the RICO count;
4. relocation costs for students who had to move to a new school to continue their education;
5. additional punitive damages; and
6. attorney's fees.

According to the class-action suit, students enrolled in Life's chiropractic program pay approximately \$4,500 per quarter in tuition and fees. The program is 14 quarters long, which means that students pay approximately \$63,000 apiece to obtain a chiropractic degree from the university. Considering the above numbers and the penalties involved with such violations of the law, Life could be faced with having to pay upward of \$200 million in damages plus attorney's fees if it were to lose the case - a figure approximately 20 times the school's current annual operating budget,<sup>5</sup> and more than double its estimated assets in cash and properties.<sup>6</sup>

### References

1. *Shaunna Morrow, Juthika Jajal, and Russell Glassman, individually and as representatives of a class of similarly situated individuals, v. Sid E. Williams, Life University, Inc., et al.* Case #03V5043594. Filed in Fulton County Court, Jan. 8, 2003.
2. Taylor M. Judge OKs class-action status for Life U. suit. *Atlanta Journal-Constitution*, March 4, 2003.
3. Giltman P. Hundreds of former, current students seek monetary damages. *Marietta Daily Journal*, Feb. 28, 2003.
4. Giltman P. Students seeking to sue Life overwhelm lawyer. *Marietta Daily Journal*, Dec. 4, 2002.
5. Giltman P. Williams, wife will receive nearly \$5M. *Marietta Daily Journal*, Feb. 21, 2003.
6. Devitt M. Second chance at Life. *Dynamic Chiropractic*, Jan. 14, 2003.

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