

Colorado Chiropractic College Sued

FORMER STUDENTS FILE CLASS-ACTION LAWSUIT

Editorial Staff

A Japanese entrepreneur and five co-defendants are the subject of a class-action lawsuit by 20 former students of the Colorado College of Chiropractic (CCC) program.¹ Filed on Jan. 7, the suit accuses six individuals and five organizations of negligent representation; deceptive trade practices; breach of contract; breach of implied contract; and civil conspiracy in the administration of the school.

The CCC was part of a program offered by Marycrest International University (MIU), headquartered in Davenport, Iowa. MIU had been affiliated with the Teikyo University Group of Japan since 1990. CCC was operated as part of Marycrest's sister institution, Teikyo Loretto Heights (TLH), in Denver, Colo.

The lawsuit, filed in state court, District 2, begins: "The defendants negligently misrepresented to the plaintiffs and the members of the class that this was a normal or typical United States college, and misrepresented to the plaintiffs and the members of the class by failing to state the inevitable, that Marycrest would close. ..."

The complaint also alleges deceptive trade practices and breach of contract:

"The defendants failed to disclose material information concerning its [Marycrest's] services... and knowingly made false representations as to the affiliation and sponsorship of North Central Accreditation of Marycrest University...." It claims that the school "promised the students of the chiropractic college that the college would be open at least until the first students graduated from the [four-year] program ... Marycrest breached the contract by closing the chiropractic program after only two years of operation."

As an implied breach of contract, the suit charges, "Upon information and belief, for business reasons of the defendants, they chose to close the university rather than arranging for it to continue under some other institution." The defendants are also accused of civil conspiracy through recruitment of students, described as through "unlawful means."

Dynamic Chiropractic reported on the anticipated opening of the CCC doctoral program in June and July, 2000.^{2,3} The program was approved by the North Central Association of Colleges and Schools and the Colorado Commission of Higher Education; Dr. Robert D. (Doug) Davison (a co-defendant in the current suit) was named executive dean.

During the grand opening, Teikyo President Shoichi Okinaga predicted the "tremendous impact" the new school would have.

However, soon thereafter, while seeking accreditation from the Council on Chiropractic Education, Marycrest was placed on probation by the North Central Association in 2001, apparently the result of the school's "untenable financial position" caused by inadequate enrollment to cover operational

costs.⁴ In early 2002, MIU announced it would be forced to cease operations following the spring semester; although school officials emphasized that CCC would not be affected, the chiropractic program was discontinued when MIU permanently closed its doors on June 30, 2002.⁵

Okinaga figures heavily in the current complaint, which notes various examples of autocratic control of the university group and describes the "lopsided governance which basically gave Okinaga the veto power over all university decisions." Okinaga is named as a defendant in the suit.

The plaintiffs, all of whom were enrolled in the CCC program at the time of MIU's closing, are calling for damages related to tuition; lost wages; costs involved in college transfers; and "emotional distress damages resulting from the disruption of their lives" as well as punitive damages. They state, "(t)he actions of [the] defendants were willful and wanton, justifying the award of punitive damages in the maximum amount permitted by law" in addition to "interest, costs including attorney fees and other appropriate relief." They also demand a jury trial.

While the CCC lawsuit is ongoing in the U.S., an investigation of parent company Teikyo University Group was initiated by the Tokyo District Public Prosecutor's Office last year.⁶ Mr. Okinaga resigned as head of Teikyo in September, and was succeeded by his son, Yoshihito.⁷

References

1. *Luke J. Terry, et al vs. Takashi Yamanaka, et al.* Case# 03CV227.
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