FILED CIVIL BUSINESS OFFICE 4 CENTRAL DIVISION MICHAEL C. SULLIVAN (SBN 131817) KARIN K. SHERR (SBN 229423) NOAM GLICK (SBN 251582) 2012 AUG 31 PM 1: 15 PAUL, PLEVIN, SULLIVAN & CONNAUGHTON LLP 401 B Street, Tenth Floor 3 CLERK-SUPERIOR COURT San Diego, California 92101-4232 SAN DIEGO COUNTY, CA Telephone: 619-237-5200 4 Facsimile: 619-615-0700 5 Attorneys for Defendant 6 THOMAS JEFFERSON SCHOOL OF LAW 7 SUPERIOR COURT OF THE STATE OF CALIFORNIA 8 COUNTY OF SAN DIEGO 9 ANNA ALABURDA, JILL BALLARD, CASE NO. 37-2011-00091898-CU-FR-CTL 10 DANIELA LOOMIS, AND NIKKI NGUYEN, on behalf of themselves and all MEMORANDUM OF POINTS AND 11 others similarly situated, **AUTHORITIES IN SUPPORT OF DEFENDANT THOMAS JEFFERSON** 12 Plaintiff, SCHOOL OF LAW'S MOTION FOR SUMMARY JUDGMENT OR, IN THE 13 ALTERNATIVE, SUMMARY V. ADJUDICATION AS TO PLAINTIFF, ANNA 14 THOMAS JEFFERSON SCHOOL OF ALABURDA LAW, and DOES 1 through 100. 15 Defendants. 16 Date: November 16, 2012 Time: 10:30 a.m. 17 Dept: 66 Judge: Hon, Joel M. Pressman 18 Complaint Filed: May 26, 2011 Trial Date: Not set 19 20 21 22 23 24 25 26 27 28 PAUL, PLEVIN, DEFENDANT'S POINTS AND AUTHORITIES ISO

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MOTION FOR SUMMARY JUDGMENT

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INTRODUCTION AND SUMMARY OF ARGUMENT

Despite admitting that she was offered a full-time attorney position several months after graduating from law school, plaintiff Anna Alaburda ("Alaburda") seeks restitution of her law school tuition on the theory that her degree from Thomas Jefferson School of Law ("TJSL") has "no value." At the heart of her lawsuit is Alaburda's contention that she decided to attend TJSL based primarily on the post-graduate employment statistics published by a popular magazine (U.S. News and World Report ("U.S. News")). Alaburda now claims that she was "misled" by the one line summary information about TJSL in U.S. News because she assumed (without any research or corroboration) that the column entitled "percent employed nine months after graduation" referred to only full-time, permanent, attorney positions (like the one she was subsequently offered).

Alaburda's Fourth Amended Complaint ("FAC") includes six causes of action:

- (1) Unfair business practices in violation of Business & Professions Code section 17200;
- (2) False advertising in violation of Business & Professions Code section 17500;
- (3) Intentional fraud;
- (4) Negligent misrepresentation;
- (5) Violation of the Consumer Legal Remedies Act ("CLRA"); and
- (6) Negligence.

All of Alaburda's claims fail for two independent reasons. First, Alaburda's claims are barred by the statute of limitations because she testified that she discovered the alleged misrepresentations more than four years prior to filing her Complaint. Second, Alaburda suffered no cognizable legal injury because, among other reasons, she admits she obtained a full-time attorney position, earning \$60,000 per year, plus benefits, shortly after graduating.

Additionally, Alaburda's CLRA claim also fails because, as a matter of law, Alaburda is not a "consumer" within the meaning of that statute.²

¹ After filing the Complaint, Alaburda became Anna Braff by marriage. However, for purposes of consistency with the captioning in this case, TJSL refers to Alaburda by her maiden name in this motion. ² Alaburda has now amended her Complaint four times, the most recent amendment adding three new plaintiffs in an attempt to overcome the fundamental infirmities addressed by this motion. By filing this (footnote continued on next page)

education for a diverse student body in a collegial and supportive environment. (Declaration of

Mary E. Kransberger ("Kransberger Dec."), ¶ 2.) Located in downtown San Diego, TJSL has

TJSL is a non-profit organization with a stated mission of providing an outstanding legal

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FACTUAL BACKGROUND

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Thomas Jefferson School of Law A.

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been fully accredited by the American Bar Association (ABA) since August 2001. (Id. ¶ 3.) Alaburda Decides to Attend Law School

Alaburda attended TJSL from 2005 to 2008. (Id. ¶ 4.) Prior to law school, Alaburda obtained her bachelor's degree in 2002 from New York University ("NYU"). (Alaburda 16:18-17:1.)³ While at NYU, Alaburda pursued a career in film and performing arts. (Alaburda 27:15-24.) After graduating, she moved to California, worked as a Production Assistant, and took a theater class. (Alaburda 28:4-14; 30:6-8, 21-23.) It was then that she began contemplating obtaining a professional degree. (Alaburda 39:2-12.) In addition to law, she considered a career in journalism or psychology. (Alaburda 42:21-43:13.) Ultimately, she decided to attend law school after a "cost-benefit analysis" because, among other reasons, she "knew [she] needed

Alaburda Chooses to Attend TJSL After Conducting Virtually No Research Into Her C. **Post-Graduation Job Prospects**

Having narrowed her list of possible career paths, Alaburda began considering which law school to attend. One of her primary criteria was geography – Alaburda reduced her list of

motion as to Alaburda, TJSL preserves its right to demurrer to Alaburda's Fourth Amended Complaint as to all four plaintiffs—indeed, if this Court follows the reasoning of two other recent decisions involving virtually identical facts, this lawsuit will not survive the pleading stage. (Gomez-Jimenez v. New York Law School, Case No. 652226/11 (Schweitzer, March 21, 2012; MacDonald v. Thomas Cooley Law School (W.D. Mich. July 20, 2012 F. Supp.2d , 2012 WL 2994107). (Request for Judicial Notice ["RJN"], Exhs. 1 and 2.) However, in the unlikely event that plaintiffs survive TJSL's demurrer, TJSL also preserves its right to later seek summary judgment as to all plaintiffs included in the FAC. All exhibit references are to the accompanying Notice of Lodgment. Relevant portions of Alaburda's

deposition testimony, filed under seal, are included as Exhibits 6 and 7 to the Notice of Lodgment, and will be cited as "Alaburda page:line."

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money." (Alaburda 53:17-54:6.)

(footnote continued from previous page)

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possible law schools to seven California law schools and one school in New York. (Alaburda 78:15-22.)

In choosing a law school, Alaburda claims that her most important consideration was the ability to find post-graduation employment. (Alaburda 85:1-7.) However, she admits that the only source of employment statistics she ever consulted was the popular magazine, U.S. News, and law school websites. (Alaburda 110:14-111:4.) Further, she never endeavored to understand how the U.S. News statistics were developed and could not recall reading the section describing that magazine's methodology. (Alaburda 67:11-17; 80:23-81:6.) Furthermore, Alaburda does not recall ever exploring any of the detailed job data published by the ABA/LSAC, although she admits knowing that this information was readily available. (Alaburda 64:19-65:3; 170:12-16.) She also does not recall visiting or contacting TJSL's Career Services staff, or even the Career Services staff of any of the law schools to which she applied. (Alaburda 89:22-90:3.)

Alaburda was not admitted to any law school except TJSL. (Alaburda 92:18-93:6.) In choosing to attend TJSL, her only law school option, Alaburda testified that she relied principally on the 2004 and 2005 editions of U.S. News. (Alaburda 143:11-16.) Those reports listed TJSL as a fourth-tier law school, which Alaburda acknowledges she considered before accepting admission. (Alaburda 147:17-21.) U.S. News also listed the bar passage rates, which were reported as 54 and 48 percent, respectively, in the 2004 and 2005 editions. (Alaburda 136:25-137:5.) In the 2004 edition, U.S. News reported that 80.1 percent of TJSL graduates were employed nine months after graduation, but this number dropped to 56.4 percent in the 2005 edition. (Exhs. 3 & 4.)⁴ Nevertheless, Alaburda claims she carefully compared the two editions and viewed these as "solid stats" that supported her decision to attend TJSL. (Alaburda 93:19-25.) Alaburda claims she also reviewed the 2006 edition, published in 2005, which reported a 47.2 percent bar passage and 77.0 percent employed nine months after graduation.⁵ (Exh. 5:

Each edition of U.S. News is published in the year prior to the edition year. For example, the 2004 edition was published in 2003. (Exhs. 3-5; Alaburda 142:4-8.)

this common knowledge that one needs to pass the California bar examination in order to practice law in this state, and U.S. News reports the bar passage rate in the column directly adjacent to the reported 'percentage employed nine months after graduation."

Alaburda 143:18-21; 149:6-14.)

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Alaburda claims that in reviewing the U.S. News employment statistics, she just "assumed" that the "percent employed" figure represented only full-time legal positions, never considering that lawyers might work part-time. (Alaburda 129:12-131:11.) She made no effort to determine what jobs law school graduates secured, or where those jobs were located. (Alaburda 87:14-22.) Alaburda further testified that she relied on representations on TJSL's website and written materials regarding the quality of its education, but notably could not recall anything at all about what she reviewed or what it said. (Alaburda 171:22-174:1.) Most significantly. Alaburda could not recall ever reviewing any employment statistics on TJSL's website. (Alaburda 110:4-8.)

Alaburda admits that, ultimately, she decided to attend TJSL because she wanted to go to law school, and TJSL was her only option. (Alaburda 92:18-93:6.) Notably, she was awarded a \$10,000 per semester scholarship, which covered approximately two-thirds of her law school tuition. (Alaburda 181:13-15, 23-25.) With the scholarship, Alaburda paid a total of only \$32,745 in tuition for her entire three-year legal education at TJSL. (Alaburda 182:15-183:6; Kransberger Decl. ¶ 4.)

Alaburda Attends TJSL for Three Years Despite Her Alleged Misgivings D.

Alaburda began attending TJSL in the Fall of 2005. By the end of her first year —i.e., Spring 2006—she testified that she believed that TJSL's representations regarding the quality of education were deceptive. (Alaburda 150:14-151:19; 153:11-15.) As a result, at the end of her first year, Alaburda applied to transfer to UCLA. (Alaburda 82:8-10.) Despite her alleged

⁶ Specifically, Alaburda testified as follows:

O. Okay. So everything that you - the only basis for your understanding [that the "Employed at Graduation" statistic meant working full time as a lawyer or in the legal field] in what that meant came from what the title was at the top of the column; is that correct? A. Yes.

²⁵

⁷ Indeed, the most "detail" Alaburda could recall on these representations was the following: "I mean, they would just kind of go on about the school, you know, why it's a good school, why I should go there. But I can't really say with like (sic) specificity... I know I talked about the writing program, and things like that are salient in my memory, you know, quality of the student life. And like (sic), I think, the teachers kind of being one on – not one on one, but more, you know, focused attention." (Alaburda 174:5-

PAUL, PLEVIN, SULLIVAN & CONNAUGHTON LLP misgivings about TJSL, she did not apply for transfer to any other school. (Alaburda 152:13-25.)

After being denied admittance to UCLA, Alaburda decided to remain enrolled at TJSL. (Alaburda 185:14-17.) She testified that by her second year of law school (May 16, 2007), she was openly concerned about her employment prospects. (Alaburda 159:22-162:4; Kransberger Dec. ¶ 5.) She complained to classmates and was discouraged by the options available. (Alaburda 160:9-161:23, 166:14-167:11.) Nevertheless, she never complained to anyone in TJSL Career Services, requested to withdraw from TJSL, or demanded a tuition refund. Rather, she chose to remain enrolled. (Alaburda 180:5-10.)

E. Alaburda Makes Almost No Effort to Obtain Post-Graduate Employment

While proclaiming the importance of finding a job, Alaburda made little effort to do so. TJSL provides numerous avenues for students to find post-graduation employment and students are strongly urged to seek a summer position after their second year of law school. (Kransberger Dec. ¶ 6.) The school encourages students to cast a wide net and submit many applications to various employers. (*Id.*) Heeding this advice, students frequently submit anywhere from 50 to several hundred applications. (*Id.*) Yet, despite this recommendation, Alaburda admits she submitted only between *two* and *four* applications for a summer position during her entire second year of law school. (*Id.* ¶ 5; Alaburda 197:14-17.) From this effort, she received one call back interview, but was not successful in landing the position. (Alaburda 197:19-20; 202:17-18.)

Alaburda made even less effort to find post-graduate employment during her third year of law school, submitting just *one* application for employment. (Alaburda 203:8-14; 206:18-24.) She was selected for an interview, and then was invited back for more interviews. (Alaburda 203:17-204:9.) However, *she withdrew her application* because she "did not know how passionate [she] was" about the one position she had applied for. (Alaburda 205:8-12.)⁸

After graduating from TJSL and passing the California bar examination, Alaburda interviewed with five to seven employers. (Alaburda 220:25-221:25.) Based on these interviews,

Notably, the only other post-graduate opportunity Alaburda pursued during her third year of law school was a teaching fellowship in Ethiopia—*i.e.*, a non-lawyer position. (Alaburda 207:18-23.) Alaburda admits telling others that her primary interest at the time was teaching, not a traditional legal job. (Alaburda 208:12-16.)

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F. The Allegedly "Misleading" Data Published by TJSL

Alaburda claims that TJSL "has adopted a practice of misrepresenting its post-graduation employment statistics" in its annual submissions to *U.S. News*. (FAC at ¶¶ 3 & 10.) Specifically, she alleges that TJSL publishes employment figures that are misleading because they do not differentiate between full- and part-time positions and between legal and non-legal jobs. (*Id.* ¶ 7.) She further alleges that TJSL does not report employment data for all of its graduates. (*Id.* ¶ 8.)

The fallacy of these allegations is immediately apparent when considering the process by which TJSL obtains data from graduating students and alumni, and the method by which it is required to report data to *U.S. News*. In fact, at all times, TJSL calculated its employment statistics in full compliance with the ABA's reporting guidelines for law schools and the requirements of *U.S. News*. (Kransberger Decl. ¶ 7.)

1. TJSL's Data Collection Efforts

Gathering employment data starts at the beginning of each graduate's final term. (Kransberger Decl. ¶ 8.) TJSL obtains each student's non-law school e-mail address, home address, relocation plans and parents' contact information. (*Id.*) Students who have petitioned to graduate are required to complete the exit interview process prior to graduation, and may not participate in graduation ceremonies until they do so, which includes disclosing known post-graduate employment information. (*Id.*) At graduation, all graduates are asked to complete a card with parental contact and employment information. (*Id.*)

The exit interview and graduation card data are recorded in an Excel worksheet. Career Services then attempts to obtain any missing data by contacting students via phone or e-mail, or by using a variety of other resources, such as Facebook, Linkedin and independently-published materials (e.g., Martindale Hubbell, state bar sites, employer websites). (*Id.* ¶ 9.) If a graduate does not report any employment, Career Services will continue to follow up, even contacting parents or key faculty members to obtain information. (*Id.*)

In October or November, Career Services sends a post-graduate survey to each member of the previous academic year's graduating class. (*Id.* ¶ 10.) This survey is generally then sent again in December or January to graduates who did not respond in the Fall and, in some years, is sent a third time. (*Id.*) The survey requests detailed information regarding employment, including the name and location of the employer, type of job (e.g., law firm, business or industry, academic, government, public interest/non-profit, and judicial clerkship), and whether a J.D. is required, preferred, or neither for that job. (*Id.*)

After compiling the information obtained from these efforts, Career Services then follows up on any missing data by phone, e-mail, reminder postcards, or online resources. (*Id.* ¶ 11.) The information obtained is entered into a spreadsheet or database. (*Id.* ¶ 12.)

2. Data Provided by TJSL to Third Parties

After collecting the data, TJSL responds to the requests for information from *U.S. News*, the ABA, and the National Association for Law Placement ("NALP"). (Kransberger Decl. ¶ 12.) TJSL provides the available data gathered from students regarding the industry in which they are employed, including distinguishing between law firms, legal positions within business and industry, non-legal positions within business and industry, government and other categories. (*Id.* ¶ 13.) The school also reports to *U.S. News* the percentages of jobs for which bar admission is required, a J.D. is preferred (but not required), and for which a J.D. is neither required nor preferred. (*Id.*) Finally, TJSL provides a breakdown of the number of graduates whose employment status is known versus unknown. (*Id.*) Thus, far from "deliberately" concealing information, TJSL provides detailed information regarding its post-graduate employment statistics.

3. TJSL's Data is Published

After TJSL provides the requested information to these third parties, it has no control over how that data is presented, including how it is aggregated, the methodology to compile and report, the level of detail, or explanations of methodology. *U.S. News*, for example, is published each Spring, and lists the same data categories for all accredited U.S. law schools. (Exhs. 3-5.) Specifically, it provides a single number for "percent employed 9 months after graduation," and does not differentiate between positions for which a J.D. is required or preferred, even though this data was provided by TJSL. (*Id.*)

III.

ALABURDA'S CLAIMS ARE BARRED BY THE STATUTE OF LIMITATIONS

Alaburda's claims are subject to a two-, three- or four-year statute of limitations. (Code Civ. Proc., § 339 [two years for negligent misrepresentation, negligence]; Code Civ. Proc., § 338, subds. (a) and (h) [three years for false advertising]; Code Civ. Proc., § 338, subd. (d) [three years for fraud]; Civ. Code, § 1783 [three years for CLRA]; Bus. & Prof. Code, § 17208 [four years for unfair competition].) California law provides that the statute of limitations begins to run at the time the allegedly deceptive statements were made, or, *at the very latest*, when the plaintiff discovers (or has reason to discover) the deception. (Fox v. Ethicon Endo-Surgery, Inc. (2005) 35 Cal.4th 797, 807 ["A plaintiff has reason to discover a cause of action when he or she has reason at least to suspect a factual basis for its elements."].)

In this case, Alaburda filed her lawsuit on May 26, 2011. (Register of Actions ["ROA"] No. 1.) However, Alaburda testified she felt misled about the quality of her TJSL education by the end of her first year (Spring of 2006), which caused her to seek to transfer to UCLA.

claims are time barred regardless of which rule applies.

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The California Supreme Court will be deciding whether the "traditional" rule or "delayed discovery" rule applies to UCL claims. See Aryeh v. Canon Business Solutions, Inc., 185 Cal.App.4th 1159 (2010), review granted, 240 P.3d 823 (October 20, 2010). Under the traditional rule, the cause of action accrues at the time of the alleged misconduct—i.e., the deceptive statements. Snapp & Assocs. Ins. Servs., Inc. v. Robertson (2002) 96 Cal.App.4th 884, 891 ["The statute begins to run ... irrespective of whether plaintiff knew of its accrual . . ."](internal citations omitted). Under the "delayed discovery" rule, the limitations period runs when the plaintiff knows, or has reason to know, of the alleged deception. (Massachusetts Mut. Life Ins. Co. v. Superior Court (2002) 97 Cal.App.4th 1282, 1295 [limitations period runs "from the time a reasonable person would have discovered the basis for a claim."].) As discussed above, Alaburda's

(Alaburda 152:4-12.) She then concedes that based on her experience at TJSL, she was concerned about her job prospects before the end of her second year (May 16, 2007). (Alaburda 166:14-167:6; Kransberger Dec. ¶ 5.) Indeed, she even complained to other students during her second year that she feared she would not receive the type of employment opportunities that she hoped to achieve. (Alaburda 160:9-161:23, 166:14-167:11.) Thus, based on her own testimony, Alaburda discovered the alleged "deceptiveness" of TJSL's reported job statistics prior to the conclusion of her second year of law school on May 16, 2007. Therefore, the very latest date that Alaburda could have timely filed this lawsuit was May 16, 2011. Accordingly, her filing on May 26, 2011 was untimely as a matter of law.

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ALABURDA SUFFERED NO INJURY AS A MATTER OF LAW

IV.

Alaburda's claims all require that she prove some form of injury. (Bus. & Prof. Code, §§ 17204 (unfair competition) and 17535 (false advertising); Krauss v. Strop (1941) 47 Cal. App.2d 452, 455 ["... where fraud has been committed and no injury has been sustained by the party complaining, no action can be maintained..."].); Creative Ventures, LLC v. Jim Ward & Associates (2011) 195 Cal. App. 4th 1430, 1444 [to recover for fraud or negligent misrepresentation, "plaintiffs had to prove that the alleged misrepresentation resulted in a loss. Deception without loss is not actionable."]; Civ. Code, §1770(a) (CLRA); Bower v. AT&T Mobility (2011) 196 Cal. App. 4th 1545, 1556 ["An individual seeking to recover damages under the CLRA based on a misrepresentation must prove, among other things, actual injury."]; Friedman v. Merck & Co. (2003) 107 Cal.App.4th 454, 463 [negligence].) To show that she was injured, Alaburda must establish that she suffered some detriment by receiving a law school degree, which resulted in a \$60,000 per year job, based on the total of \$32,745 she paid in tuition. In other words, to recover *anything*, Alaburda must be able to prove that her law degree is worth less than the \$32,745 she paid. To recover full restitution, as she is seeking, she must prove that her law degree has no value. For two independent reasons, she cannot. ///

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The entire premise of Alaburda's lawsuit hinges on her allegation that TJSL overstated the percentages of its graduates who secure full-time lawyer positions. Thus, Alaburda argues that she paid her \$32,745 in tuition under the mistaken belief that she, too, could obtain such a position. However, Alaburda was offered precisely that—a full-time lawyer position paying \$60,000 per year, plus benefits—which she turned down. This fact alone destroys any claim that Alaburda was "injured" by TJSL's allegedly deceptive practices.

A similar scenario was considered in *Hall v. Time Inc.* (2008) 158 Cal.App.4th 847. There, the plaintiff sued a book seller, alleging that the seller unlawfully induced consumers to purchase books by offering a "free preview period," but then sent invoices prior to the expiration of that period which asked for full payment. (*Id.* at 850.) The plaintiff alleged that the book seller fooled customers into thinking that, despite the so-called "free" trial period, they were automatically under the obligation to pay for the book. (*Id.* at 851.) Thus, the plaintiff ultimately purchased the book after the preview period expired. In finding no injury, the Court held that the buyer obtained the benefit of the bargain because he ultimately received what he paid for—the book. (*Id.* at 855 ["Hall did not allege he suffered an injury in fact – he expended the money by paying Time \$29.51 – but he received a book in exchange."].)

Peterson v. Cellco Partnership (2008) 164 Cal.App.4th 1583 is also on point. There, the plaintiffs purchased cell phones and insurance from a company that was not licensed to sell insurance. (*Id.* at 1586-87.) The plaintiffs sought restitution of the insurance commissions charged by the company, which are available only to licensed insurers. (*Id.* at 1587.) The Court rejected this claim, noting that the plaintiffs did not allege they could have bought the same insurance for a lower price from a licensed agent. (*Id.* at 1591.) Thus, they were not injured because "they received the benefit of their bargain, having obtained the bargained for insurance at the bargained for price." (*Id.*)

Here, as in *Hall* and *Peterson*, Alaburda received the full benefit of the bargain. She alleges she attended TJSL based on her belief that she could receive a full-time, lawyer position

upon graduating, and that is precisely what she received. Because, she got exactly what she claims she paid for (i.e., a legal education resulting in a job offer as a full time attorney), she cannot demonstrate "injury" as a matter of law.

B. Alaburda Failed to Mitigate Her Damages By Making Little Effort to Secure Post-Graduation Work

To the extent that Alaburda did not land her "dream job" after graduation, TJSL cannot be held liable. Alaburda admits she submitted only a handful of applications for legal jobs throughout her three years at TJSL. (Alaburda 197:14-17.) She was offered the opportunity to participate in the school's "On Campus Interview" program, but chose to submit only two to four applications during her second year, and only *one* application during her third year. (Alaburda 198:2-8.) Alaburda now attributes her failure to find a job to TJSL, when she did little more than sit back and wait for a job to come to her. Courts have routinely rejected fraud-based claims under such circumstances. (*Lewis v. Superior Court* (1978) 77 Cal.App.3d 844, 853 ["...defendant is not required to compensate for damages avoidable by reasonable effort."] (citations omitted); *Shaffer v. Debbas* (1993) 17 Cal.App.4th 33, 41 ["A plaintiff . . . has a duty to take reasonable steps to mitigate those damages and will not be able to recover for any losses which could have been thus avoided."]; *State Dept. of Health Services v. Superior Court* (2003) 31 Cal.4th 1026, 1043 [same].)

In short, Alaburda was in a position to exercise significant control over her post-graduation fate. Her decision to expend little effort towards this end illustrates a fundamental problem with this lawsuit (and why it can never proceed as a class action)—TJSL simply cannot be held responsible for securing a post-graduate legal position for every student who does little to advance his or her own chances of success.

V.

ALABURDA'S CLRA CLAIM FAILS BECAUSE SHE IS NOT A "CONSUMER" WITHIN THE MEANING OF THAT STATUTE

Alaburda is not a "consumer" for purposes of the CLRA. The Act defines a "consumer" as "an individual who seeks or acquires by purchase or lease, any goods or services for personal,

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family, or household purposes." (Civ. Code § 1760(d); Lazar v. Hertz Corp. (1983) 143 1 Cal.App.3d 128, 142.) Here, it is undisputed that Alaburda did not purchase her legal education 2 for "personal, family or household purposes." In fact, she testified that she purchased it following 3 a "cost-benefit analysis" in which the "most important factor was getting a job." (Alaburda 4 53:17-54:6; 85:1-7.) Indeed, the very premise of Alaburda's lawsuit is that she invested in a TJSL 5 education in reliance on TJSL's post-graduation job statistics. 6 In MacDonald v. Thomas Cooley Law School (W.D. Mich. July 20, 2012 F. Supp.2d 7 8 , 2012 WL 2994107, the Court analyzed a nearly identical lawsuit under Michigan's Consumer 9 Protection Act ("MCPA") which, like the CLRA, protects only "goods, property, or service 10 primarily for personal, family, or household purpose." (RJN, Exh. 1, at *8, citing M.C.L. §§ 445.903(1), 445.902(1)(g)[emphasis added].) In distinguishing a law school education from 11 protected "consumer" activity, the Court observed: 12 13 Plaintiffs did not purchase a Cooley legal education so that they could leisurely read and understand Supreme Court reports, or to provide legal services for 14 themselves of family members. Rather, Plaintiffs purchased a legal education in order to make money as lawyers so that they could live a lifestyle that they 15 believed (perhaps naively) would be more pleasing to them. This is not a business 16 purpose. . . . Plaintiffs 'intended' their legal employment to subsequently better their personal circumstances, these better 'personal circumstances' would be 17 attained through their work as lawyers, i.e., a business. 18 *Id.* at *8-9. 19 The same reasoning applies here. A law school education is not a "consumer" item 20 intended for "personal, family, or household purposes," like toothpaste or automobiles. It is, as 21 Alaburda herself alleges, an investment. The CLRA is simply not designed to afford protection to 22 such investments. 23 I/I24 /// 25 ///26 /// 27 /// 28

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